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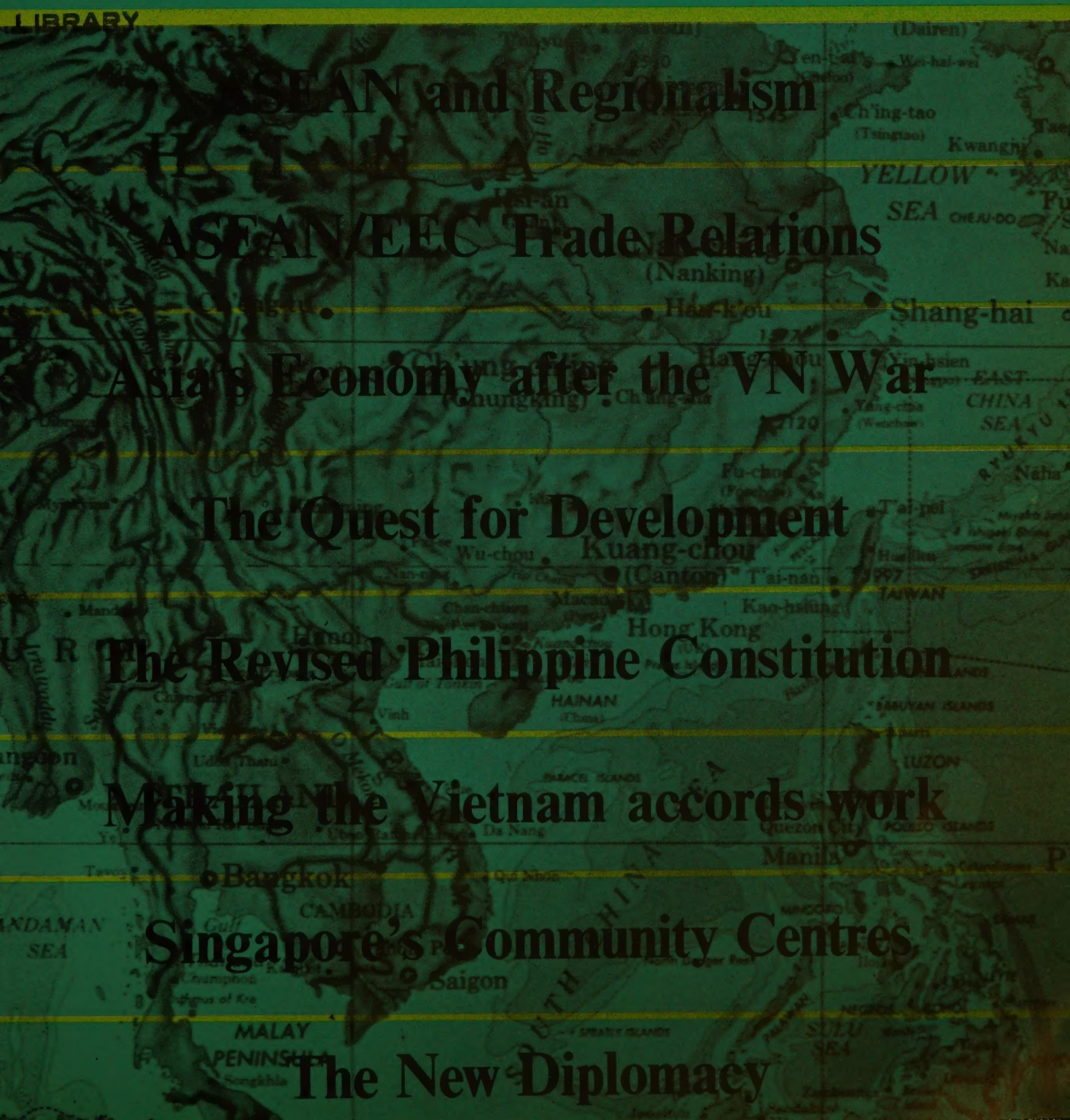

ASEAN and Regionalism

ASEAN/EEC Trade Relations

Asia's Economy after the VN War

The Quest for Development

The Revised Philippine Constitution

Making the Vietnam accords work

Singapore's Community Centres

The New Diplomacy

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Volume 2, No. 3 April 1974

Contents

Page

THE REGION
ASEAN and Regionalism in South-East Asia 1
by Seah Chee Meow

TRADE
ASEAN and EEC : the Search for a Trade Relationship 7
by Malcolm Subhan

THE ECONOMY
The Vietnam War and Peace in Asia: Some Economic Implications 12
by Seiji Naya

DEVELOPMENT
The Quest for Development and the Discovery of Asia by Asians. 23
by Gelia T. Castillo

THE PHILIPPINES
The Revised Constitution: Progress in Stability 31
by Enrique M. Fernando

VIETNAM
On Making the Vietnam Agreements Work 39
by Allan E. Goodman

SINGAPORE
"Development Communication": The Role of Singapore's Community Centres 42
by R.O. Daniel

DIPLOMACY
The New Diplomacy - its Political and Economic Effects 46
by Leonard Rayner

Notes on Contributors 50

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SPECTRUM

Volume 2, No. 3 April 1974

Contents

Page

THE REGION

ASEAN and Regionalism in South-East Asia 1
by Jean Chia Meow

TRADE

ASEAN and EEC : the Search for a Trade Agreement 7
by Hadisoen Sudirjo

THE ECONOMY

The Vietnam War and Peace in Asia: Some Economic Implications 12
by Shoji Akiyo

DEVELOPMENT

The Quest for Development and the Discovery of Asia by Africa 23
by Dato' T. Cavalho

THE PHILIPPINES

The Revised Constitution: Progress in Stability 29
by Emiliano M. Aquino

VIETNAM

On Making the Vietnam Agreement Work 39
by Nguyen Ba Cuong

SINGAPORE

"Development Communication": The Role of Singapore's Community Centres 42
by A.D. Dass

DIPLOMACY

The New Diplomacy - its Political and Economic Effects 46
by Leonard Rayns

Notes on Contributors 56

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THE REGION: Despite many problems and obstacles associated with the regional countries' cultural diversity, their political instability and the slow growth and national orientation of their economies, the Association of South-East Asian Nations (ASEAN) has achieved some success. This is partly because it is confined to a few geographical neighbours sharing some common attributes. But, having overcome an initial inertia in collaborative efforts, its future effectiveness will depend on the sustained interest of the political elites in the member States and the widening of national and bilateral concerns to accommodate regional interests.

ASEAN and Regionalism in South-East Asia

Seah Chee Meow

REGIONALISM or regional co-operation has become an important factor in the management of international relations since the end of the Second World War. The number of regional arrangements has proliferated: compared to the solitary Organization of American States (OAS) which existed before the war, there were by 1968 no fewer than 23 regional arrangements. In the field of military/security co-operation, for example, about 92 States during that year were participants in one or more of the nine regional organizations with mutual security commitments.(1)

One reason for the proliferation of regional arrangements is the ease with which States can group together for the pursuit of common objectives. Regionalism can take place in various circumstances ranging from feelings of solidarity to perceptions of common national interests. The viability of regional arrangements depends on the existence of three other factors as well, *viz:*

(i) that nations can benefit by involving in collaborative efforts with other States;
(ii) that such benefits will accrue to all participating States;
(iii) that the ties which bind these member-States together are stronger than the extra-regional relationship which the member-States may have.

Observers of the international scene tend to view regionalism favourably. Regionalism, for example, has been regarded as "a halfway house between a nation-State and a world not ready to become one."(2) Another writer, Richard Falk, has commented that regional intervention occupies a middle position between undesirable unilateral intervention and desirable, but perhaps unattainable, U.N. interpositions.(3) On the other hand, the proliferation of regional arrangements has led to the emergence of two problems, which unless overcome, will reduce many of the advantages commonly associated with such arrangements.

First, many such arrangements are created out of expediency. Far too often the rhetoric of solidarity, consensus and fraternity does not extend beyond a firm commitment towards the pursuance of collaborative objectives. It is not surprising that regional arrangements slip into a languishing existence when they no longer fit into the foreign policy objectives of the participating nations.

Secondly, the proliferation of regional arrangements has led to a certain diffuseness in the use of the term "regionalism." Geographical contiguity or proximity is no longer the accepted norm in many regional arrangements. In the South-East Asia Treaty Organization (SEATO), for example, only two of the eight member-States which signed the 1954 Manila Pact were from the South-East Asian region. The inability on the part of the organization to involve other States in South-East Asia appreciably reduced the organization's credibility to provide a military shield in the region.

The increasing tendency of States to participate in numerous regional arrangements could lead to certain dysfunctional implications. In theory, a State can maximize objectives or gains by participating in a regional arrangement; the more arrangements in which a State is involved, the greater will be the benefits thus accrued. In practice, such advantages could be diluted or even nullified because the objectives of the various arrangements in which a State chooses to participate may not be complementary. The bases for co-operation may be different.

This paper discusses South-East Asia's experiences of regionalism. Because of the breadth of the subject matter, focus is directed on the Association of South-East Asian Nations (ASEAN), an indigenous organisation set up in 1967 by the five States of Indonesia, Malaysia, Philippines, Singapore and Thailand. This organisation reveals the complex balancing of national and regional interests amidst an environment noted for fast changing, though not necessarily stabilising, events.

* * * * * *

THE term South-East Asia was coined at the height of the Second World War by Allied commanders then preparing for a military offensive in the region east of India and south of China. Popularization of this term by scholars and political leaders has given a sense of cohesion and unity to what has generally been a culturally, ethnically and politically fragmented area. Not all observers are in agreement with the geographical demarcation of this region. Singapore's Prime Minister, Lee Kuan Yew, has in his 1968 Gabriel Memorial Lecture argued that he thought it would be a great mistake to classify Vietnam as part of South-East Asia. "By its history, ethnic affinities, and cultural patterns," he said, "Vietnam is East Asian, not South-East Asian."(4) Whatever reservations that may be expressed, it is generally conceded that South-East Asia includes ten States, including the two Vietnams. It is generally recognized too that this region is noted for political instability and slow economic progress. The anti-colonial struggles which these States (with the exception of Thailand) generally have had to undergo before independence could be attained, the existence of disputed leadership as a result of fluid political conditions and an absence of commonly accepted socio-political norms and values, and the economic imbalances accentuated by poor capital formation, dependence on primary commodities and a rapidly growing population — all these are some of the common scenarios of the post-war South-East Asia.

Many regional organizations have involved the participation of South-East Asian States. The Colombo Plan, for example, was started *inter alia* to accelerate the pace of economic and technical development. Involving donor countries like Britain, Australia and New Zealand, the Colombo Plan was not confined exclusively to South-East Asian States. The U.N.-sponsored Economic Commission for Asia and the Far East (ECAFE) is another organization not confining its activities to South-East Asia. Likewise, the South-East Asia Treaty Organization (SEATO), draws most of its participants from outside the region.

These three regional arrangements are characterized by two common features. Firstly, they were set up in the 1950s and were externally induced in the sense that the initiative in regional co-operation did not come from the South-East Asian States. This may not be a peculiar situation since South-East Asian States were generally concerned with their domestic or internal development; it was unlikely that their leaders (despite the euphoria of solidarity expressed in the 1955 Bandung conference) would be concerned with matters of mutual benefit, especially since there exists no tradition of common understanding among States in the region. (5) Secondly, those regional arrangements which then existed — the Colombo Plan, ECAFE, SEATO — had limited impact on the region. ECAFE, for example, was set up to "initiate and participate in measures for facilitating concerted action for the economic reconstruction and development of Asia and the Far East, for maintaining and strengthening the economic relations of those areas both among themselves and with other countries of the world."(6) But ECAFE's record has not been particularly impressive. A noted economist, Hiroshi Kitamura, has commented that the diversity and spread of this organization has made it unrealistic "to expect all or even the majority of the governments in the region to share an interest in pursuing concrete objectives through co-operative means."(7)

ECAFE's capabilities could be enhanced by the pursuance of operational programmes of "sub-regional scope" in which the vested interests of the few affected States would be intimately involved. This belief that the concerted action of a few States, united by specific objectives and geographical proximity, is more effective than arrangements with large but ineffectual participation has an influence on the thinking of South-East Asian leaders. The attempts at indigenous regional arrangements to serve South-East Asian States are a reflection of this form of thinking.

* * * * * *

TO understand ASEAN it is necessary to refer to another regional arrangement which it superseded, the Association of South-East Asia (ASA). ASA was formed in 1961 by Malaya, the Philippines and Thailand for the promotion of economic and cultural relations. There was no intention to commit this organization to security/military co-operation. This was partly because of a reluctance to involve in bloc politics, and besides, the three States had their own defence arrangements. On the other hand, there was no doubt that this organization reflected the pro-west postures of the three States. Indonesia, the largest state in South-East Asia, had refused to participate because its leader, Sukarno, was anxious to forge a non-western foreign policy. ASA's capability to influence events in South-East Asia was further diminished as a result of conflicting national interests between Malaya and the Philippines. These two countries were at dispute over the Sabah issue — an issue which culminated in the suspension of diplomatic links and the premature end to the aspirations of ASA. ASA enjoyed, therefore, only a brief period of active or meaningful existence and apart from the establishment of direct rail links between Bangkok and Kuala Lumpur (made possible partly too as a result of the end in 1961 of the "emergency" or Communist insurgency in Malaya) nothing substantial was achieved by way of regional co-operation.

It was only with the emergence of a new set of political leaders in Indonesia and the end of Confrontation (1966) that fresh moves were made at regional co-operation. Foreign Ministers of the three ASA States and Indonesia and Singapore (the latter having seceded from Malaysia in 1965) agreed to the formation of ASEAN in 1967. Like ASA, ASEAN was an indigenous organization insofar as the member-States were all from the region.

Bernard Gordon in reviewing the progress of ASEAN has mentioned the existence of a "deeply etched network of political contact and communications" in the region. Confrontation was the catalyst in fostering this tight contact and communication since it forced the respective governments in the five States to undertake a careful scrutiny of national policies and purposes. "Konfrontasi was a severe learning experience, and it is quite clear that ASEAN — probably the first genuinely important step in Asian regional co-operation — is a direct by-product of the contacts and communications created by the Indonesian-Malaysian conflict."(8)

Such a view however minimizes the importance of other forms of communications and contacts between ASEAN and non-ASEAN members and also among non-ASEAN States. For example, the Indo-Chinese States (which have been deeply involved in irredentist, civil and other forms of warfare) have a very close network of communication and contact. Similarly, the long-drawn disputes between Thailand and her neighbours, Cambodia and Burma, over territorial and minority issues were certainly as important as the Indonesian-Malaysian confrontation. Apparently, many other factors were also crucial in the formation of ASEAN. This can be discerned from the different perceptions of this organization's roles by the leaders of the five States. Indonesia, for example, was eager to exert the role of leader in the region and ASEAN could offer the country's leaders the opportunities to exert such influence. ASEAN in fact accommodated all, the divergent viewpoints: its aims were to include the promotion of economic, social, cultural and technical co-operation and the preservation of peace and stability through active collaboration and mutual assistance.

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FROM this perspective, it is clear that ASEAN will encounter a host of problems and obstacles. Prospects in the field of economic co-operation, for example, are not bright. Despite a combined population of 200 million and abundant natural resources, ASEAN is characterized by lack of economic complementarity, poor capital formation and low purchasing power. This, together with the emphasis on economic autarky in the post-colonial phase, limit the possibilities for economic co-operation for mutual benefit. At the same time, the member-States have not fully committed themselves to this regional organization. National interests have often led to the conclusion of binding ties with long trusted though extra-regional States. For example, Malaysia and particularly Singapore were anxious to retain their Commonwealth partners to enhance their defence capabilities even after the British announcement in 1966 of its intention to withdraw its military presence from this region. The importance attached to the Commonwealth Five-Power Defence Arrangement (even though the military support envisaged under this agreement is greatly reduced compared to that provided by the Anglo-Malaysian Defence Treaty) shows that the political leaders in Singapore and Malaysia would continue to depend on trusted partners than on their newly-found acquaintances in the ASEAN region. Other indications of the limited capabilities of ASEAN as a regional organization included the existence of inter-State disputes (like the Sabah issue) and the tendency to resort to bilateral ties.(9)

On the whole the member-States are aware of the obstacles to regional co-operation. This understanding has prompted a project-by-project approach. Projects are submitted to the annual meeting of foreign ministers for approval before implementation. This *ad hoc* approach enables compromise and bargaining. Although it de-emphasizes the importance of a planned strategy in regional co-operation, it is an effective and pragmatic approach since member-States need not (and for the most are not willing to) modify their national development strategies to fit into the framework of the regional organization.

* * *

TO what extent has ASEAN contributed to regional economic co-operation of South-East Asia?

In a speech to mark the opening of the fifth ministerial conference, Singapore's Prime Minister Lee Kuan Yew gave a statistical count-down of the projects implemented by ASEAN. In the first year of operation there were 102 recommendations but none were implemented. In the second year only 10 of the 161 recommendations were carried out. In the third and fourth years 22 and 48 recommendations out of totals of 207 and 215 respectively were implemented. Compared therefore to the dismal first year of ASEAN's existence, 22 per cent of the fourth year's recommendations were carried out. Despite the relatively small number of projects being carried out (when compared to the number of recommendations adopted) there is growing acceptance of ASEAN's role in regional co-operation.

It would appear that in the field of regional co-operation, a major obstacle facing ASEAN is the manner in which national and regional interests can be reconciled. On the one hand, the definition of national (often parochial) interests has continued unabated.

Singapore and Malaysia have been pursuing distinct national interests since the separation of 1965. Many of the common links between the two countries — currency, airline, stock exchange, rubber market — have disappeared and economic competition remains as active as ever. ASEAN has neither helped to accelerate nor delay this separating process.

Indonesia is keen to develop its infrastructure and ancilliary services so as not to be dependent on Singapore's entrepot facilities.

National development plans do not take account of the regional factor while competitive strategies, like the desire to have petrochemical plants in the respective territories, remain as active as ever.

On the other hand, the ASEAN nations are aware of the importance of a cohesive and collective front if they are to be assured of the best trade deals for the commodities which they produce. Preferential status to highly developed industrialized markets of products produced in the ASEAN region can be best secured by prior agreement on common strategies or priorities. Collaboration is also essential to assure economies of scale and optimum returns in certain kinds of industrial ventures. In a sense the response of the Foreign Ministers at the forthcoming conference (March 1974) to the proposals of the United Nations study on ASEAN (10) may well determine the extent of commitment to, and trends of co-operation in this regional organization.

* * * * * *

IN the light of this discussion, can ASEAN contribute to the stability of South-East Asia - a region still characterized by political instability and unresolved military/power conflicts? Any assessment of ASEAN's role and scope must be based on the organization's present capabilities and not merely on the aspirations expressed by

the political elites in the member countries. Apart from the question of how national interests can be reconciled with regional ones, ASEAN's contribution to stabilization will depend on the interaction of three factors:

- the extent of stability or instability in the ASEAN countries;
- the perceptions of Big Power involvement in the region;
- the manner of resolution of conflicts in the Indo-Chinese States.

Not all ASEAN countries have completely solved those problems which contribute to political instability. The renewed insurgency in Malaysia, the increase in Communist activities in Thailand and the student restlessness indicate that problems of political and economic participation continue to persist. While some of the factors contributing to such instability (such as a low capital formation and over-population) cannot be solved immediately, the response of the political elites in some of these countries to these developmental problems has aggravated political instability. For example, a commitment to population control has been symbolically affirmed while population increases go unchecked. Similarly, distribution of resources and political goods does not often reach the mass of the people: the ostentatious show of wealth and affluence of a minority has the effect of aggravating discontent among the people living still at a subsistence level. Instability of this sort will not contribute to stabilization, nor to the future of ASEAN.

For the masses show a lack of identification with concepts of regional integration. Werner Levi has written that: "The masses, especially outside the urban centres, appeared to share no such sentiment of solidarity at all; and there was no reason why they should. Preoccupied with their daily lives in the villages, they could not afford to be concerned with a distant past or people in faraway lands."(11) Unless the major national problems of political and economic stability are overcome, commitment to ASEAN may remain exclusively at the elite level. Conversely, a high level of integration at the national level will strengthen the position of ASEAN and assist in the stabilization of the South-East Asian region.

The patterns of Big Power involvement in South-East Asia will also affect regional stabilization. The decision of Western Powers — Britain and United States — not to regard South-East Asia as a centre of core interests will upset the balance of Big Power interaction in this region. Formerly these two Western Powers had a dominant role to play; their "withdrawal" (or rather, a diminution of the roles they used to assume) will affect the strategies of national leaders in the region as provisions have to be made to accommodate further changes in the Power balance. Japan, despite its economic strength, is unlikely — at least for the foreseeable future — to fill the vacuum left by the British and the United States. At the same time, the influence of China and Russia cannot be neglected.(12) While the Big Powers can, by virtue of the resources and military capabilities at their disposal, determine the international politics of the region, the ASEAN countries are discussing possible ways of accommodating and, at the same time, insulating them. While ASEAN foreign ministers are discussing the China issues (such as the establishing of diplomatic links), proposals have also been put forward which could influence future participation of the Big Powers in South-East Asia, and in the ASEAN region specifically. These include the neutralization proposal put forward by Malaysia which *inter alia* envisages a situation in which the region could be freed from Big Power politics.(13)

While anticipating possible changes in the pattern of Big Power involvement, the extent to which ASEAN can influence the degree of stabilization in South-East Asia will also be determined by the manner in which the Indo-Chinese conflicts are resolved. Despite the signing of the Vietnam peace agreement in January 1973 there has been no let-up in the fighting. The agreement significantly marked the end of direct American involvement in the Vietnam war; "war by proxy" could well be the pattern of conflict in that region. In the Khmer Republic, the position of the Lon Nol Government continues to remain precarious — the extension of the state of emergency on 30 January this year is a further confirmation of the dimension of the power struggle. On the whole, the ASEAN countries cannot significantly affect the outcome of the power struggle in the Indo-Chinese States; neither is it politically expedient for ASEAN countries to become embroiled here where the interests of the major Powers are involved. ASEAN members have a keen interest in the manner of resolution of the conflicts in that area, but can only adopt the role of a relatively helpless observer.(14)

From this discussion, it is apparent that ASEAN has limited capabilities. Its best hope in the stabilization of the region would be to maintain a high degree of political and economic stability in each of the member-States. This is by no means an insignificant task. ASEAN cannot assume an effective role in military/security collaboration since the member-States have as yet to develop a high level of trust, organizational skills and harmonization of military strategies and training to pursue such a role.

* * * * * *

SHOULD ASEAN expand its membership? The experience of the last few years has shown that progress in regional co-operation has been a slow, patient and trying process. The decision of the sixth Ministerial Conference at Pattaya, Thailand, in April 1973 to set up a permanent Secretariat at Djakarta indicates that there has been an increase in commitment towards the regional organization. Relationships among the five member-States have improved considerably as a result of closer interaction and consultation among political leaders and senior bureaucrats. But any attempt to increase the organization's membership at this juncture can only be at the expense of the frail basis of understanding and goodwill which has so far been created among the existing members. Expansion of membership can lead to two consequences with which the regional organization may not be able to cope. With the exception of the adhesion of Burma, expansion in membership (especially the inclusion of the Indo-Chinese States) would only transfer many of the unresolved power and ideological disputes into the organization. Already competing factions have demanded observer status

when invitations were sent to other South-East Asian States to participate in the last Ministerial Conference.(15) Secondly, expansion could also have the effect of nullifying many of the gains — notably in goodwill and consultation arrangements — which ASEAN has achieved so far. The present members, despite their differences, do share certain common attributes: a relatively pro-West foreign policy (partly as a result of domestic Communist threats), relatively open economies, and a general receptiveness to foreign investment. Expansion in membership will only introduce disparate elements which may not be easily accommodated without jeopardising the level of regional consciousness or understanding so far achieved.

Notes and References

1. Joseph S. Nye, Editor, *International Regionalism* (Little-Brown, Boston, 1968), p.v.

2. *Ibid.*, p.vi.

3. This view was discussed by Linda B. Miller, in "Regional Organisation and the Regulation of Internal Conflict," in Joseph S. Nye, *op. cit.*, pp. 77-79.

4. Quoted by T.T.B. Koh, "International Collaboration Concerning South-East Asia", *Annals* Vol. 390, July 1970, p. 19.

5. Cf. Geertz, "In all the countries of the region...the government, despite the rhetoric of radical nationalism in which it phrases its alarms and ambitions, is not so much the political expression of a culture as a kind of extraordinary committee for the conduct of foreign policy, an ad hoc commission for economic planning, and a self-conscious symbol of a social consensus which does not in fact exist," in W. Henderson, Editor, *Southeast Asia: Problems of United States Policy* (MIT Press, Massachusetts, 1964) p. 47.

6. Hiroshi Kitamura, *Regional Co-operation as seen from ECAFE,* SEADAG Paper, December 1971, p. 5.

7. *Ibid.* p. 7.

8. Bernard Gordon, "Common defence considerations and integration in Southeast Asia" in Paul A. Tharp, Editor, *Regional International Organisations: Structures and Functions* (St. Martin's Press, New York 1971) pp. 246-7. See also, B. Gordon, *Towards Disengagement in Asia* (Prentice-Hall, Englewood Cliffs, N.J. 1969).

9. There was the suspension of diplomatic links between Manila and Kuala Lumpur in 1968. President Marcos' decision to annex Sabah by an act of legislation in the Philippine Congress and the allegations of interference in the Philippines' domestic affairs by Sabah leaders (namely, support to the Muslim minority in Southern Philippines) did not help to promote cordial relations. Bilateral ties continue to be a prominent feature among ASEAN members and they include economic relations and co-operation in military support and training.

10. The study, conducted at the invitation of ASEAN, was to explore the possibilities of economic co-operation. It proposes limited trade liberalization in selected commodities and co-operation in certain industrial projects. It also urges the mutual reduction of tariffs leading to an eventual free trade area. Other proposals include a study of the viability of industries based on a regional, as opposed to a national, market. See D. Wilson, "No will no way", *Far Eastern Economic Review,* 18th June 1973, pp. 49-52. Also see M. Kour, *Economic and Security Aspects of Asean Co-operation* (Academic Exercise, University of Singapore, Session 1973/74), pp. 12-36.

11. Werner Levi, "Political Culture and Integration in Southeast Asia" in Paul A. Tharp, Editor, *op.cit.*, p. 75.

12. Since there is a considerable ideological/power dispute between China and Russia, the objectives of these two Powers in this region may not necessarily be compatible. It may indeed be argued that a diminished but continuing American influence in this region is preferable to China than an expansion of Soviet influence. For a discussion on possible Chinese roles in this region see the various articles in Lau Teik Soon, Editor, *New Directions in the International Relations of Southeast Asia* (Singapore University Press for the Institute of Southeast Asian Studies, Singapore 1973).

13. For an elaboration of this proposal see Zain Azraai, "Neutralisation and Southeast Asia" in *ibid.* pp. 129-136. Also see T.T.B. Koh, "The Neutralisation of Southeast Asia" (mimeo) for comments on the proposal.

14. Undoubtedly, certain ASEAN members do entertain hopes of influencing events in Indo-China. The initiative of the Indonesian leaders in convening the Djakarta conference on Cambodia from 15-17 May 1970 and current Indonesian participation in the International Control Commission in Vietnam are indications. Also note the remark by former Thai Prime Minister Thanom Kittichachorn, at the opening of the Sixth Ministerial Conference of ASEAN in Pattaya, Thailand, on 16 April 1973 that Asian problems be left to the Asians to manage and the decision of the ASEAN Foreign Ministers at that meeting to explore ways of assisting in the rehabilitation of Vietnam. It is unlikely that ASEAN members can do much since they to varying degrees are dependent on foreign aid and investment. The efforts at rehabilitating the Vietnamese economies would at best be symbolic since the ASEAN countries cannot offer substantial resources or technical aid.

15. Only Khmer and Laos sent representatives as observers. Saigon and Hanoi refused to do so while the latter demanded that representatives of the Provisional Revolutionary Government (PRG—Vietcong) of South Vietnam, Prince Sihanouk's Cambodian government, and the Pathet Lao be invited. See *Keesing's Contemporary Archives, 1973,* col. 25905.

TRADE: As the preceding article suggests, ASEAN solidarity could be advantageous to the five members in international trade negotiations. The regional organization is already adopting a collective approach towards the European Economic Community (EEC) but, rather than negotiate a special agreement, the latter has preferred to accommodate ASEAN demands within its Generalized Preference Scheme offering duty-free import quotas to manufactures and semi-manufactures from all developing countries. But ASEAN's major primary products enter the EEC duty-free in any case, and there are some prospects of further improvements in trade and economic co-operation arrangements.

ASEAN and EEC: the Search for a Trade Relationship

Malcolm Subhan

THE attempts by the five ASEAN countries to safeguard and promote their trade interests in the enlarged European Economic Community (EEC) form the subject of this paper. As the research was done in Brussels the emphasis inevitably will be on the activities of two institutions based in that city: the 13-member Commission of the European Communities, on the one hand, and the ASEAN Brussels Committee, made up of the five ASEAN ambassadors to the European Communities, on the other. Clearly a detailed analysis of the positions adopted by the ASEAN and EEC capitals would be necessary to complete this paper; but it is unlikely that such an analysis would greatly affect the conclusions reached here. The fact is that during 1972 and 1973, the period covered by this paper, contacts between ASEAN and EEC were largely between the ASEAN Brussels Committee and the Commission. Even the decisions taken by the member States in response to ASEAN demands were at the recommendation of the Commission and their own representatives in Brussels.

There are a number of reasons why the talks between ASEAN and the EEC have been conducted on an informal basis and in such a low key. Since its inception the Community has taken little interest in developing Asia; the few sectoral agreements it has with certain Asian countries were motivated by the desire to protect its domestic market from low-cost imports of cotton and jute goods. As a result, Asian countries seeking increased access to the Common Market for their exports have invariably had to take the initiative themselves.

India was the first to do this; after the collapse of the 1961-63 negotiations for Britain's entry into the EEC it asked that the proposal to suspend at zero the common customs tariff on tea and a number of other products be implemented, even though the proposal had been made in the context of these negotiations.

But India was virtually alone among Asian countries in seeking tariff concessions from the EEC; and in any case, the very limited success obtained by New Delhi was one of the factors which discouraged other Asian capitals from approaching the Community.

The fact that most Asian exports to the EEC consist of primary commodities which enter the Community duty free meant that few countries felt sufficiently concerned about the future of their exports to take issue with the EEC. The signature of the first Yaounde Convention* in 1963, which granted the 18 African and Malagasy Associated States duty-free entry for their exports of tropical products, alarmed Asian countries, but they preferred to register their protests through multilateral institutions such as the General Agreement on Tariffs and Trade (Gatt) and, from 1964 onwards, the U.N. Conference on Trade and Development (UNCTAD).

As for their exports of semi-manufactured and manufactured products the principal exporting countries such

*Editorial Note: The Yaounde Conventions (1964-69 and 1969-75), associating with the EEC 17 mainland African States, Madagascar and (since 1973) Mauritius, provide reciprocal trade preferences except for certain agricultural exports, aid from the Community, and certain joint institutions. Twenty developing Commonwealth countries - but not including the two in ASEAN - have been offered association under a renegotiated Yaounde Convention or, alternatively, less complex association or trade arrangements.

as India and Pakistan hoped that the successful outcome of their demands in the Unctad for a generalized system of preferences would secure them duty-free entry into the markets of all industrialized countries, including Japan, at one swoop.

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IT was not very surprising, under these circumstances, that the first ASEAN country to submit to the Commission a Memorandum outlining its trade problems did not do so until early 1971. The Indonesians had followed the second set of negotiations for Britain's entry (starting in early 1970) with some concern, for they feared that the enlarged Community would extend preferential treatment "to those developing Commonwealth countries which apply for association or which will reach a special agreement with the Community." Their fears were partly based on the fact that to reassure Asian members of the Commonwealth, all of whom had been refused associated status, the six EEC countries and the U.K. had proposed to make a Joint Declaration of Intent on the development of trade relations with them. Although it was clear from the outset that the Declaration would amount to little more than a vaguely-worded statement of good intentions, the Indonesians were concerned that it would discriminate against them. The Dutch persuaded their EEC partners to remove this impression as far as possible, and the text as finally adopted, while specifically referring to Ceylon, India, Malaysia, Pakistan and Singapore, contains a reference to "the situation of the other developing countries in the same geographical area."

For the Indonesians, their brief, 3-page Memorandum of March, 1971, was a means of notifying the EEC and the U.K. that they regarded themselves as one of the developing countries covered by this clause. The Indonesian Mission to the European Communities expressed itself "particularly happy to note that the Community will take into account the interests of other countries in the same region in finding appropriate solutions for the problems which might arise in the commercial field for certain Commonwealth countries." The Memorandum concluded with the words that the Mission would "refer in due time to that Declaration in order to have a dialogue with the Community with the aim of strengthening Indonesia's trade relationship with the Community."

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IN their Memorandum the Indonesians had referred only to their own exports to the EEC. But the country's foreign trade minister, Dr Sumitro Djojohadikusumo, was anxious that the responsibility of negotiating with the EEC should be entrusted to ASEAN, which was born out of the Bangkok Conference of August 1967. He took advantage of the presence in Santiago in April 1972 of ASEAN and EEC ministers and representatives of the Commission (who had assembled in the Chilean capital for Unctad III), to organize informal meetings and otherwise prepare the ground for a meeting in Brussels that June with the Commission. The Memorandum submitted to this meeting by the ASEAN countries dealt with the trade problems of all five countries taken as a group; there were very few references to the problems which individual member States had encountered in their trade relations with either the six-nation EEC or the four prospective new members (U.K., Ireland, Denmark and Norway). Ironically, the statements of individual ASEAN countries, which should have accompanied the Joint Memorandum, proved much more difficult to draw up and were submitted only later.

Through the Special Co-ordinating Committee of ASEAN Nations (SCCAN), located initially in Bangkok, and the ASEAN Brussels Committee, the ASEAN countries had a reasonably effective machinery for dealing with the Community. But the Common Market Commission was less well-placed. Under the Treaty of Rome, which set up the EEC in 1957, the Commission can "formulate recommendations or deliver opinions on matters dealt with in this Treaty, if it expressly so provides or if the Commission considers it necessary." The Commission in fact negotiates on behalf of the member States on all tariff and, indeed, trade matters and submits proposals to the EEC's Council of Ministers for implementing the common commercial policy. As all the points raised by the ASEAN countries in their Memorandum of June 1972 related to tariffs, the Commission appeared the obvious counterpart to the ASEAN Brussels Committee and even to SCCAN.

The fact is that if the Commission needs a mandate from the Council of Ministers (i.e. from the member governments) to conduct trade negotiations with a third country, it is free to consult with anyone it likes in the accomplishment of the tasks allotted to it under the Rome Treaty. The Commission's role in such informal meetings with the representatives of third countries is largely limited, however, to listening to their views and receiving their demands. While it cannot commit the member States, it can, and does, indicate what their reaction is likely to be; and, what is more, the Commission can incorporate suggestions made by third countries into its own proposals - or even use them as the basis of fresh proposals to the member States.

But in the case of Asian countries generally the Commission has shown itself reluctant to use the considerable powers it enjoys under the Rome Treaty; in even the most informal talks with the ASEAN Brussels Committee, or representatives of individual Asian countries, it has tended to be non committal, although this is less true since the autumn of 1973. The Commission's low profile when dealing with not just the ASEAN countries but developing Asia as a whole is the result, not so much of Commission policy, as of the policy of the member governments. Although both Holland and Germany among the original members of the Common Market have extensive bilateral relations with Asian countries, the EEC as a whole has been reluctant to define a Community policy. With enlargement the opposition to this has weakened somewhat, but for reasons which are set forth below Britain's entry alone is not enough to persuade the other member countries to work actively for a Community policy towards Asian countries.

So as to understand the position of the six original member countries, it is necessary to bear in mind that for most of them the creation of the EEC was a stage on the road to European integration. Their goals were essentially European ones in that they saw their action limited to Western Europe. It was the French who at the

last minute introduced a non-European element into the negotiations over the Treaty setting up the EEC by insisting that it make provision for their African colonies also. Of course once the system of association had been written into the Treaty its continuation could be taken for granted. What is more surprising, perhaps, is that France's partners should have agreed, with varying degrees of enthusiasm, to present the system of association to the outside world as one of the basic institutions of the EEC. During the 1961-63 entry negotiations the British quite naturally suggested that the offer of association be extended to all Commonwealth countries and territories, dependent as well as independent, but the others recoiled at the thought of so close a relationship with Asia's teeming millions.

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HAVING started on the process of entering into trade agreements with third countries, the EEC found itself facing a fresh problem. The grant of tariff preferences to the 18 associated States prompted other developing countries to seek similar treatment for their own exports. Thus after the collapse of the U.K. entry negotiations in 1963 New Delhi expressed its desire to entry negotiations in 1963 New Delhi expressed its desire to enter into a comprehensive trade agreement with the EEC. The Germans and Dutch, having extensive trade relations with several of the English-speaking countries in Africa, persuaded the Community to maintain the offer, which included an offer of association, which it had made to the African and Caribbean members of the Commonwealth during the entry negotiations. (This offer was the basis of the negotiations with Nigeria and the three East African States.*) Finally, the need for the Community to negotiate fresh agreements with the Maghreb countries of Algeria, Tunisia and Morocco opened the way to negotiations with other Mediterranean countries.

As the demands from developing countries for trade negotiations proliferated, the EEC found itself in a dilemma. While some member States favoured the conclusion of trade agreements with all countries that sought them, others opposed such a policy, on the grounds that a multiplicity of trade agreements was quite unnecessary and would result in the steady erosion of the preferential treatment granted the 18 African and Malagasy associated States. The agreements, whether planned or already in force, with countries in Africa and the Mediterranean basin were rationalized as part of an African or Mediterranean policy, although it is evident that with the exception of the Yaounde agreement most of the EEC's trade agreements have been concluded on an *ad hoc* basis and without benefit of any overall policy. Rather than enter into trade agreements with Asian or Latin American States, it was felt that a better policy would be to make greater use of multilateral institutions and arrangements, such as the generalized system of preferences and international commodity agreements.

The enlargement of the Community introduced a new element into the situation, foreshadowed by the Joint Declaration of Intent. The first part of this Declaration reads as follows:

> Inspired by the will to extend and strengthen the trade relations with the developing independent Commonwealth countries in Asia (Ceylon, India, Malaysia, Pakistan and Singapore), the European Economic Community is ready, from the date of accession, to examine with these countries such problems as may arise in the field of trade with a view to seeking appropriate solutions, taking into account the effect of the generalized tariff preference scheme and the situation of the other developing countries in the same geographical area.

The commitment was deliberately kept vague; and despite the reference to 1 January 1973 (the date of accession) some of the original EEC members took the view that the Asian countries could not invoke the Declaration before another year or two at least: after all, it was necessary to wait for the problems to arise before discussing remedial action. And as the first move to phase out Commonwealth preferences was scheduled for 1 January 1974, Commonwealth exporters were unlikely to feel the effects of enlargement before that date - if at all.

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BUT the ASEAN countries, like those of the Indian sub-continent, preferred not to wait. The June 1972 Memorandum was subsequently supplemented by statements by the individual ASEAN countries, and followed up by a Joint ASEAN Memorandum on the Community's generalized preferences scheme and in September 1973 by seven memoranda drafted jointly by the ASEAN countries and covering a number of specific commodities, including tobacco, palm oil, canned pineapple, spices, coconut oil and dessicated coconut, timber and tapioca and manioc products.

The June 1972 Memorandum has already been mentioned. After listing briefly the problems facing ASEAN countries in their trade relations with the EEC (and eventually with the enlarged Community), the Memorandum drew a number of "policy implications." These consisted of proposals in the tariff field, aimed at eliminating the discrimination ASEAN exports are subject to in the EEC when compared to exports of the associated States, other third countries and member States. Where discriminatory tariffs could not be removed at once the Memorandum proposed equitable tariff quotas as an interim arrangement. The Memorandum also suggested a number of improvements to the Community's preferences scheme, although these were described in greater detail in a subsequent Memorandum dealing specifically with this subject.

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*Editorial Note: Kenya, Tanzania and Uganda have been associated with the EEC since 1968 under the Arusha Agreement, involving reciprocal rights and obligations, particularly in the field of trade. Nigeria concluded an association agreement in 1966 but this never became operative.

In the seven Memoranda on agricultural commodities the ASEAN countries pleaded for the reduction if not elimination of existing tariffs and variable levies. The argument in every case was the same: the tariff acted as a brake on imports from the ASEAN region, especially as imports of the same product from the associated States were generally free of duty. Thus in the case of palm oil the Joint Memorandum pointed out that ASEAN is the main supplier to the EEC, with some 70 per cent of the market. The common customs tariff on this item was discriminatory inasmuch as copra, groundnuts, soyabeans and other oilseeds are imported duty free into the Community. The Joint Memorandum therefore proposed that the tariff on palm oil of ASEAN origin be eliminated or, alternatively, that palm oil be included in the Community's preferences scheme for duty-free, quota-free entry.

As mentioned earlier the EEC Commission had no mandate to negotiate with the ASEAN countries; nor did it intend to ask the member States for one, for there could be no question, at the present stage, of a trade agreement between the Community and ASEAN. What the Commission did, however, was to combine some of the ASEAN proposals with those made by other Asian countries, notably India, and to use them as the basis for its own proposals to the member States. Nearly all Asian developing countries had urged the Community to make a number of improvements to its preferences scheme, notably by increasing the product coverage as regards processed agricultural products. The Commission therefore submitted a proposal in June 1972 adding a number of items proposed by Asian countries to the initial list of processed agricultural products eligible for import into the EEC at considerably reduced rates of duty.

In October the Commission sent a fresh proposal which it described as the "first stage in the implementation of the Declaration of Intent." It provided for a number of tariff concessions, to be implemented by the EEC through its generalized preferences scheme. The products for which concessions were proposed included several suggested by ASEAN, such as plywood, crude coconut oil for industrial use, tinned pineapple, unmanufactured tobacco and cottage industry products. Many of these items had been listed by other Asian countries also, and the final list in fact consisted largely of products exported by the Asian Commonwealth to the U.K. market. As the Commission noted in its covering Note to the member governments, it had concentrated its attention primarily "on the effects of the first alignment of the British tariff to the common customs tariff, with a view to isolate the cases in which action seemed indispensable to avoid noticeable repercussions in the flow of trade." Palm oil, however, was one of the products which the Commission left for later, on the grounds that prices were sufficiently high to more than offset the effects of the first alignment.

The EEC's Council of Ministers ultimately endorsed the Commission's various proposals, even improving on them marginally in two or three cases (tobacco, plywood). But it also showed itself less generous as regards some others, including pineapples. The Joint Memorandum had pointed out that Malaysia and Singapore together accounted for some 40 per cent of the U.K.'s annual imports, but that this position was threatened by the EEC's common customs tariff, which varied between 22 to 25 per cent plus a variable levy on the sugar contained in the syrup but was waived entirely in the case of imports from the associated States. The French, anxious to secure additional markets for their own department of Martinique, insisted that the concession - a 50 per cent reduction in the tariff - be limited to pineapples other than in slices, half slices or spirals, although these forms account for over half Malaysia's exports to the U.K.

The ASEAN countries inevitably expressed disappointment at the extent of the concessions finally granted by the EEC. But the situation perhaps is not as alarming as some of them suggest. The products for which the EEC has taken no action so far must be viewed in the light of (1) the Community's undertaking to take further action under the Joint Declaration of Intent and (2) total ASEAN exports to the Community.

As for the first point, the Commission has already drafted proposals for tariff reductions for a number of spices and has begun to study the possibiltiy of modifying the EEC's rules of origin along the lines suggested by ASEAN, especially as regards the notion of cumulative origin. (This has been introduced already in a limited way as regards some half dozen products which enter into Singapore's entrepot trade for re-export to Europe.) As for the volume of the trade for which the ASEAN countries are seeking tariff concessions, it is relatively small in relation to total ASEAN exports to the nine-nation EEC, for as mentioned earlier, the principal items exported to the EEC enter duty free.

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OF greater significance than the concessions themselves is the manner in which they have been made. The Commission took the view that "as a general rule, the possible solution should be found within (the generalized preferences scheme)." The great advantage of concessions made within this framework is that they are made on a unilateral basis and therefore avoid the need for negotiations between the EEC and developing countries. At the same time they are non-discriminatory in that all developing countries belonging to the Group of 77 (as well as some others) may benefit from them. To the extent that other industrialized countries are also operating preference schemes of their own (under the same Unctad resolution) the Community's solution can be regarded ultimately as a multilateral one, taken in a multilateral framework.

But from the EEC's point of view recourse to the preferences scheme as a way of meeting the demands of ASEAN (and other developing) countries is particularly advantageous because it enables the member States to postpone a decision on the broader question of what formal links (if any) to establish with ASEAN.

The Commission clearly would like to see the EEC enter into an agreement with it along the lines of the commercial co-operation agreement which the Community concluded with India at the end of 1973. Sir Christopher

Soames' predecessor as Commissioner in charge of external relations, Professor Ralf Dahrendorf, in fact urged the member States to look upon ASEAN as one of the two poles of their Asian policy (the other being India). In the Commission's view the EEC, as a regional grouping, has a moral obligation as it were to encourage similar regional groupings; and the Commission in fact has promised ASEAN technical assistance with such problems as the harmonization of trade statistics and export promotion.

But the member States, with three or four exceptions, including the U.K., Germany and the Netherlands, are reluctant to commit themselves; the French even maintain that the Commission's enthusiasm for agreements with developing countries is motivated by a desire on the part of the Commissioners to increase the powers of the Commission at the expense of other Community institutions and the national governments. (The administration of all trade and other agreements concluded by the Community as such is automatically entrusted to the Commission.)

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ON the other hand, it is obvious that (1) there are limits to what the EEC can achieve through its preferences scheme and (2) tariff concessions alone will not be enough to promote increased trade between the Community and ASEAN. Although the latter has confined itself so far to tariff issues, attention is now shifting to questions of ecnomic and industrial co-operation. The ASEAN countries followed the negotiations between India and the Community very closely; and while several of them regard the commercial co-operation agreement which resulted as unsatisfactory, all of them recognize that their own efforts will have to be directed along similar lines.

Given the recent attempts by industrialized countries to assure themselves long-term supplies of raw materials the member States can be expected to show greater interest in entering into trade and economic co-operation agreements with the ASEAN countries, although it should be added that when the Soviet Communist Party newspaper, *Pravda*, made such a suggestion in a recent article the reaction of Commission officials was one of unbounded hilarity. The fact remains, however, that in trade negotiations with both India and Bangladesh the Commission tried to obtain acceptance of a clause providing for non-discriminatory access to natural resources, including raw jute, its representatives pointing out that without some such provision the agreements under negotiation would remain rather one-sided. An added inducement from the EEC's point of view is the attitude of ASEAN countries to foreign private investments; as all of them actively encourage such investments they are of considerable interest to European firms in search of either raw materials or a base for their manufacturing activities.

Economic interest in ASEAN should lead to renewed political interest in South-East Asia, without which even trade concessions are difficult to obtain. The indifference of most EEC countries to this region can be traced to the fact that few of them feel it is of any importance to them politically. Among Commission members, professor Dahrendorf was perhaps the first to recognize this; in a Memorandum to the Council of Ministers in 1972 he stressed the political importance to Europe of Asia as a whole. Sir Christopher Soames has used much the same arguments, notably in his attempts to persuade the enlarged Community to enter into a commercial co-operation agreement with India. ASEAN representaives in Brussels recognize the importance of political factors also; the chairman of the ASEAN Brussels Committee has even argued that ASEAN will make no headway in Brussels unless it can impose itself politically on the nine member governments. It now remains to be seen whether the EEC's economic self-interest will generate the necessary political interest.

THE ECONOMY: While the economies of many Asian countries have profited from the demands generated by U.S. spending on the Vietnam war, their additional income has inevitably been artifically derived. It is salutary that the ending of American involvement in the war will oblige these countries to concentrate on developing indigenous resources, but unfortunate that this opportunity has coincided with a period of severe world-wide economic uncertainty brought about by the enormous increase since late 1973 in the producer-price of oil.

The Vietnam War and Peace in Asia. Some Economic Implications

Seiji Naya*

THE impact of the war in Vietnam has been farreaching. For the U.S., it has been a frustrating and divisive involvement. And it has taken the toll of a large chunk of the country's resources, induced a policy of rising domestic prices, and contributed to its balance of payments difficulties. In Indo-China, the loss in terms of human suffering and lives cannot be reckoned. And the impact on their economic as well as their social and political structure has been felt by many other Asian countries as well. The ceasefire, agreed upon in January 1973, was followed by the pull-out of American troops. This marked a major turning point but the picture of post-war political settlement and evolution remains as elusive as the meaning of peace itself, and the problems facing the economies of Vietnam and other countries during the period of transition are complex.

If a real ceasefire can be maintained in Indo-China and if other nations are sincere in their desire to aid in reconstruction, one can think of a number of regional development projects which could be significant towards this end. One of the most important may be the development of the Lower Mekong basin. This portion of the river starts in Laos and covers one-third of Thailand, the whole of Cambodia, and three-fifths of South Vietnam. Because of its large annual flow and its good natural dam sites, the Mekong represents an attractive solution to the problem of keeping pace with energy and power needs. According to one plan, hydro-electric generation can be increased 20-fold. The irrigated area would increase ten-fold; it would be possible to prevent flood damage and control the water supply; and *per capita* income could be doubled with a food surplus of 11 million tons. This would be the most important development for agricultural modernization and industrialization of the area. The total cost of implementing the plan is estimated to be $U.S. 36,000-40,000 million. This is an enormous amount - about three times the combined income of the four countries. But, when compared with other figures, the expenditure does not appear so large. For example, the U.S. has been spending about $30,000 million A YEAR on the Indo-China war. The real question is - is it politically feasible? The success of this project would necessitate regional co-operation on a scale not hitherto attempted. It would have to be achieved in an area where countries have been at war for a long time. Such a project would require aid commitments by developed countries - which would not necessarily be forthcoming. And, of course, projects can be realized only if peace is maintained.

The reconstruction problems in a war-torn country are obvious and pressing, but post-war adjustments and shifts in priorities are inevitably also faced by other countries directly or indirectly drawn into the conflict. Although most war supplies and related commodities have been produced in the U.S., escalation of the war resulted in a sharp increase in U.S. expenditure abroad directed, not only to Vietnam but also to many neighbouring Asian countries. Although these expenditures have been influenced largely by logistic and political considerations, they have in effect stimulated the economic activities of many Asian countries by raising foreign demand for their goods and services, and foreign exchange earnings. For some Asian countries, the increase in exogenous foreign demand has also come from increased imports by South Vietnam and other countries which affect processing trade patterns.

*With research assistance from Jeerasak Pongpissanupichit.

The author presented the first versions of this paper at a seminar on employment policy for Asian trade unionists, organized by the Asian - American Free Labor Institute in Manila during April 1973, and at a seminar in Singapore organized by the Pacific Basin Economic Council in the following month. He has updated the article to 1 February 1974 for this publication.

This article examines the inflow of U.S. expenditures into Asia brought about by the war, the economic impact of this inflow and the economic implications of the reduction of the expenditures. Although the article is concerned only with the economic aspect, the extent of its relevance is highly dependent on the political evolution that will take place in Indo-China. In view of the political uncertatinties, the presentation is of a qualitative nature.

Also, at the outset, limitations imposed by data constraints should be mentioned. For example, information on U.S. defence expenditures by country, even for major categories such as construction projects, troop spending, and local employment patterns, is either not available or extremely poor. For a few countries, not even total expenditures are available, e. g. Hong Kong, which is known to have gained considerably from the spending of visiting American soldiers. Further, given published data, it is difficult to determine the degree to which these represent an effect of war extraneous to other economic forces which would have functioned in the absence of war.

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SINCE the mid-1960s, a significant amount of U. S. financial resources and inputs has been injected into Vietnam and other Asian countries to accommodate and sustain the stepped-up military effort in South-East Asia. The allocation of these expenditures has been directly influenced by strategic considerations in meeting the military effort as well as the political and security ties between the U. S. and several Asian countries. At the same time, these expenditures, taking such forms as increased demand for goods and services and additional foreign exchange for recipient Asian countries as well as induced trade, have significant direct and indirect economic and employment effects.

Of various inflows, the most important item in terms of income and employment generation and foreign exchange earnings has been U. S. defence expenditures in Asian countries. These outlays have taken many forms, e.g. purchase of local goods and services to be used to construct bridges, air-bases and other military installations; payments of local wages and salaries; and expenditures of U. S. military and civilian personnel and their dependants stationed in these countries and of soldiers visiting on Rest and Recuperation (R and R). (1)

Looking at it from the giving end or in terms of U. S. values, the inflow of these resources is shown in the appendix, Table 1 and also in Figure 1 (2) (Figures for some countries, e. g., Hong Kong and Singapore, are not available.) Total U.S. defence expenditures abroad in 1970 were $4,960 million, an increase of about $2,000 million from 1964, the year of the Tonkin Resolution when the U.S. began to participate in the war directly. Most of this increase went to Asian countries which included, besides Vietnam, Japan (the largest recipient of all), Korea and Thailand, and to a lesser extent, the other countries listed in Table 1.

From 1965 when the U. S. began sending combat troops, these expenditures in Vietnam rose rapidly until 1968. The increase was not only due to the expenditures of military personnel but also to large construction projects to expand logistic facilities, e. g. air fields, deep-water ports and storage facilities. The resulting increase in demand for skilled and unskilled labour led to an agreement to employ third-country nationals with the priority going to troop-contributing countries, e. g. Korea, the Philippines and Thailand. In the latter half of the 1960s, Vietnamese labour employed by U. S. military agencies and contractors and funded by the U. S. Department of Defense numbered about 150,000 in comparison to about 9,000 to 14,000 for third-country civilian workers. (3)

American defence spending in Japan declined steadily until 1964 (from the Korean War period) and probably would have continued this trend. Instead, as a result of the intensification of the conflict, an upturn occurred, giving Japan the largest share of all Asian countries. One reason has been that the country has had the supply capacity to meet increased demand for various goods, e. g., cameras and stereos in demand by visiting U. S. personnel, and goods purchased by the military exchange for resale to troops in Vietnam, Korea and other areas.

As in many other countries in Asia, gross expenditures in Korea varied little in the first half of the 1960s but thereafter began rising with the increased purchase of goods and services required in the war effort. The continued rise in 1968 and 1969 also reflects the strengthened U. S. military position following the *Pueblo* incident as well as the increase in receipts of Korean military forces in Vietnam (see Appendix Table 7).

A similar rising trend in U. S. defence expenditures is also shown for Thailand, but only until 1968. Since 1965, the U.S. has built a network of air-bases, deep-water ports, supporting highways and supply installations in Thailand. As in Vietnam, construction was carried out by U. S. firms and Army engineers using American equipment to a considerable degree. But many Thai labourers have been employed by American military agencies and related contracting firms (the number ranging from over 40,000 to the present 30,000). Six major airports were built, although one was closed down in 1971. Four out of the five remaining airbases are located in the relatively low-income North-East region.

There is little doubt that U. S. defence expenditures in Vietnam and other countries rose mainly in connexion with the intensification of the war. Yearly increases were largest from 1965 to 1968. Since then the level has tapered off considerably or declined (especially for Vietnam and Thailand) as the gradual withdrawal of American troops began with the initiation of peace negotiations in Paris and as major military construction projects were completed. It is reasonable to expect a sharp fall in these expenditures from 1973 onwards as American troops have been withdrawn from Vietnam and are gradually being reduced in other parts of Asia.

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ANOTHER direct source of receipts related to the conflict has been American loans and grants to U.S.-allied Asian countries. Since 1964, there has been a rapid increase of such assistance, particularly in the

form of military aid (see Table 2 and Figure 2). As one would expect, this has been especially true for Vietnam. The value of total assistance soared from U.S. $474 million in 1964-65 to $2,300 million in 1970-71, 77 per cent of which has been in the form of military aid. As the war extended to Cambodia, a formerly insignificant amount in aid to this country jumped to $134 million (1970-71).

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THE conflict in Vietnam has also affected the trade and trade patterns of Asian countries. As expected for Vietnam, the dislocation and disruption of economic activities are reflected in a sharp fall in exports, combined with an enormous increase in its imports. Its exports fell from U.S. $65 million in 1962-63 to merely $13 million in 1970 whereas its commercial imports rose from $262 million in 1962 to $780 million in 1970 with a trade deficit of $766 million in the latter year.

In response to Vietnam's demand for materials, supplies and goods, exports of many Asian countries expanded very rapidly in the early years of the war (see Appendix: Table 3). But the expansive possibilities of the Vietnamese market have diminished in recent years. Also, with the exception of a few countries like Singapore, these sales have comprised a small part of the total exports of Asian countries.

There are other aspects of the trade effect of the war. For example, large U. S. offshore purchases of commodities from these Asian countries for military forces in Vietnam are generally not recorded in the latter's exports to Vietnam. Such exports would have been considerable for East Asian countries such as Korea, Taiwan, and especially Japan. Also the trade of Asian countries has been indirectly expanded in the form of induced imports (see below).

Although their volume has been small, a notable feature of these exports to Vietnam, particularly from Taiwan and Korea, has been a strong tendency toward new industrial products. As is now well known, Taiwan's and Korea's exports to the world have expanded remarkably with manufactured goods providing the force behind this favourable export growth. These goods consist largely of products generally classified as labour-intensive, light -industrial items. But products of relatively heavy industrial origin such as steel products, transport equipment, cement and chemical fertilizers, predominate among their export products to Vietnam. Moreover some of these commodities are directed largely to Vietnam. The Vietnam conflict has thus provided Taiwan and Korea a greater learning effect in producing and exporting new industrial goods than would have occurred under normal conditions.

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WHETHER in terms of U.S. figures or the reported receipts of Asian countries, the large flow of war-related revenue into many countries of Asia is evident. This section examines, though qualitatively and broadly, the contribution of these revenues to the economies of the affected Asian countries. The following section discusses the possible effects of the fall of these revenues.

When one considers the losses suffered in Vietnam, it seems ironic that this country has become economically dependent on war conditions. But over the years, with the massive infusion of American aid, the South Vietnamese economy is said to have become consumption-oriented and highly dependent, structurally, on the conditions of war. In many respects, demands of the war effort have created distorted market incentives and a misdirected economic pattern. The reduction of income and foreign exchange earnings resulting from the pull-out of U.S. forces, together with South Vietnam's continued large budgetary burden of defence, could widen the resource gap, and make stabilization, gainful employment creation, and reconstruction extremely difficult.

The abnormal and artificial nature of South Vietnam's economy can be shown by certain statistics:

- 15 per cent of the labour force are military men – this constitutes a million people. 40 per cent of the civilian labour force are armed – this constitutes 3 million.
- The contribution of U.S. military expenditures to GNP is said to be in the range of 20-30 per cent
- U.S. military assistance totals U.S.$2,000 million or 70 per cent of GNP.
- The import surplus was $766 million in 1970, or 20 per cent of GNP.
- Exports have been reduced to a very small amount, and aid-supported government expenditures and expenditures of the U.S. overwhelmingly determine the level of income. For some years, the import surplus has permitted an extremely high level of consumption which has exceeded its own level of GNP.
- The war system has facilitated the abnormal expansion of the service sector. In 1969, the service sector comprised 50 per cent of the GNP.

These figures suggest the urgent need for a new economic order – policies and programmes that will reduce the artificial affluence which a large segment of the urban population has enjoyed. After the Korean war, it took Korea some ten years to show real signs of growth and development and the beginnings of a rapid acceleration of exports. This emerged only after the adoption of sweeping and forceful changes in monetary and trade policies in the early 1960s to correct various market distortions, increase savings and promote exports. Also, one cannot overlook the large inflow of U.S. foreign aid that played an important, though supplemental, role in the process.

To examine the economic impact of war-related revenues for individual countries, the combined value of U.S. defence expenditures and exports to Vietnam is compared with gross domestic products (GDP) of four Asian countries (Appendix: Table 4). Japan is excluded from the table since its revenue-GDP ratio has been only about one-half of one per cent. Singapore and Hong Kong are not shown since the data is inadequate.

As shown in column 2, the Philippines' exports to

Vietnam are a very small per cent of its total revenue. For Thailand and Korea, this share was more than 10 per cent in the mid-1960s but has fluctuated and has been considerably lower in recent years. Revenues of these countries reflect mostly sales of goods and services to U.S. military agencies; the war has apparently had relatively little impact on their exports to Vietnam. An important qualification, as stated previously, is that Korean (as well as Taiwan) exports to Vietnam are largely comprised of new industrial goods. In contrast, Japan, Singapore, and Taiwan's direct sales to Vietnam have been absolutely and relatively large. For Taiwan, the value of direct sales to Vietnam exceeded revenues from U.S. defence expenditures in early years.

Japan stands out as the country with the largest earnings, followed by Korea and Thailand, with gross earnings more than twice those of each of the latter two. Revenue stimulated from indirect sources, e.g. war-induced exports to third countries, has probably also been larger for this country than for other Asian countries. In considering the relative contribution of these revenues to economies, however, the percentage of these revenues in income is more relevant than the absolute value itself, which is very small. The average revenue-GDP ratios for other countries are considerably larger, e.g., 4.11 per cent for Thailand and 4.62 per cent for Korea in 1970.

The initial injection into income and employment of these expenditures sets off a number of indirect and secondary effects, e.g., the multiplier effects. Thus the actual contribution to the increase in income and employment would be larger than the initial value (judging from the size of the revenue-GDP ratio and income growth).

Over the years, it appears that these revenues were an important source of growth for these countries, especially Korea and Thailand. But it is difficult to say how large this contribution has actually been. For Thailand, according to one estimate based on 2.646 as the multiplier, it is reported that as much as 11 per cent of total income in 1968 can be attributable to this source of income generation. (5) But U.S. defence expenditures are likely to fall for these countries, as it has already been occurring in Thailand in recent years, thus creating an income deflation effect larger than the amount of the fall.

Increases in Asian sales to U. S. military agencies and exports to Vietnam represent a additional inflows of foreign exchange, thereby contributing to an improvement of the balance-of-payments and foreign exchange holdings. The quantitative importance of these revenues in terms of their proportion to total exports and imports is given in the Appendix, Table 5, along with trade deficits and sizes of foreign exchange reserves.

Most less-developed countries incur a trade deficit, and the developing Asian countries listed in Table 5 are no exception. As shown in column 3, the absolute size of the trade deficits of most of these countries has tended to grow. It is noteworthy, however, that along with increased war-induced revenues the foreign exchange holdings of all countries have risen substantially despite their trade deficits.

Although war expenditures have undoubtedly contributed substantially to strengthening the balance-of-payments and foreign exchange positions of these Asian countries, these revenues are only gross earnings. A significant part of the earnings leaks out in the form of higher imports associated with increased income, prices, availability of foreign exchange, and the need to accommodate Vietnam-related production and service activities which require parts, materials, and finished products. The import component of the latter activities would be especially large for developing countries. For example, for Taiwan and Korea, induced imports (direct and indirect) associated with exports to Vietnam are proportionately far greater than those for their total exports. As given in column 7 of Table 6, more than one-half of Taiwan's exports to Vietnam (52.35 per cent) was spent for induced imports in comparison with 35 per cent for its total exports. Similarly for Korea, induced imports were 40.7 per cent of its exports to Vietnam but only 11.4 per cent of its total exports. But for Japan, induced imports are shown to be even smaller for exports to Vietnam than for total exports. This pattern of imports would also hold for Vietnam-related domestic production and service activities for these two countries and probably even more so for countries such as Thailand and the Philippines in the light of their economic and industrial structures.

Consequently, if induced imports from various sources were deducted, the net addition to the foreign exchange earnings of the developing Asian countries would be considerably smaller than initial dollar earnings obtained through U.S. expenditures and exports to Vietnam - perhaps reduced by as much as one half or more. (In the case of Singapore, because of its entrepot trade, much of its exports are re-export items.) Nevertheless, the net addition to these countries' exchange reserves is substantial, and some induced imports of any Asian country would, of course, by supplied by other Asian countries.

* * * * * *

IN those countries which have actively supplied war-related goods to Vietnam, a reduction in U.S. spending is bound to result in demand deficiences for certain sectors of the economy. There is also likely to be a substantial net loss of foreign exchange. The short-run depressive impact on the balance of payments is likely to be larger for Thailand and Korea. The trade deficit for these countries is not only large in relation to their requirements, but also has grown rapidly. These countries must therefore concern themselves with programmes to counter the deflationary reduction of demand and search for alternative domestic and international avenues into which supply surpluses can be shifted and absorbed.

Problems of internal and external adjustments depend on a number of factors such as the nature of the peace settlement, the extent to which U.S. spending has affected the economies in the past and can be reduced and substituted by other more productive resources in the future, and the level of foreign exchange reserves. One of the key questions is how much these Asian countries can expand exports to offset the fall in U.S. spending.

Countries such as Taiwan and Korea have been export-oriented and able to diversify their exports, and their remarkable export expansion has been a basic source of their economic development. Although Korea's trade deficit has continued to be large, the country's successful export growth is expected to continue and mitigate short-run adjustments. Also the import demand of Vietnam is bound to be large during the stabilization and reconstruction period. For South-East Asian as well as East Asian countries, a large trade with Vietnam is a potentiality despite short-run fluctuations.

Compared with exports of East Asian countries, those of Thailand and the Philippines have not been buoyant. But with recent efforts toward export-promoting policies, signs of export expansion are appearing there. In Thailand's favour is its large accumulation of foreign exchange, relatively one of the highest among developing countries. Although the reserve declined during 1969-71, it is reported to have reached U.S. $ 1,200 million by April 1973. It appears that Thailand has a considerable safety margin in foreign exchange, enough to cushion unfavourable short-run effects and launch a vigorous export promotion programme. In the case of the Philippines, the war's impact on its economy has been relatively minor. And the institution of a number of new measures, e.g. a flexible exchange rate and measures to attract foreign investment with emphasis on exports, could provide the necessary incentive for export expansion. Indeed in recent years, the country has succeeded in accumulating a record-breaking level of foreign exchange, for example $867 million in August 1973.

* * * * * *

THE reduction of U.S. spending will necessitate adjustments in the economies of a number of Asian countries. But less dependence on this "artificial" inflow can be a positive step toward defining and undertaking a development process that is consistent with indigeneous resources and objectives. It is unfortunate that at a time when Asian countries are adjusting to the U.S. pull-out, they must face an oil crisis.

The decision of petroleum exporting nations to increase greatly the listed price of crude oil in 1973 is expected to have a major impact on the economies of the region. With the dramatic jump of oil prices and the consequently rising prices of other imports affected by it, the import bills of many countries have been growing rapidly. In Thailand, for example, the cost of petroleum imports alone is expected to rise from $175 million in 1973 to $600 - $700 million in 1974. On the other hand, in the immediate future, world demand for such commodities as rubber, tin, sugar and rice is extremely buoyant. It is reported, for example, that Thailand's rice exports will approach $500 million in value in 1974, compared with less than $200 million in 1973. With export earnings expected to grow fast and with a $1,200 million reserve cushion, Thailand should not be in any immediate balance-of-payments danger.

The situation facing the Philippines is somewhat similar: an expected rapid growth of both agricultural and manufactured exports, coupled with the high level of international reserves accumulated in recent years, will free the Philippines from the immediate necessity of major balance-of-payments adjustments. On the other hand, Indonesia, as a major petroleum exporter, is certain to gain substantially from higher oil prices. Oil export revenues should grow by $3,000–4,000 million in 1974 alone. Malaysia too is in no danger of suffering from the oil crisis as petroleum production in East Malaysia should exceed local needs in future years.

But viewed from another perspective, the oil crisis does present a real danger to the developing economies of Asia. The trade, aid and investment relationships of these countries are tied to the economies of developed nations. The current oil crisis is putting almost all developed countries into deficit balance-of-payments positions. Should the energy crisis lead to recession in Japan, Europe or America–as some people are predicting–the markets for Asian exports could be quickly reduced. This possibility introduces an important element of external uncertainty into the developing Asian countries' planning equation and it may well threaten their economic well-being.

Appendix

TABLE 1

U.S. DEFENCE EXPENDITURES ABROAD FOR GOODS AND SERVICES, BY ASIAN COUNTRIES

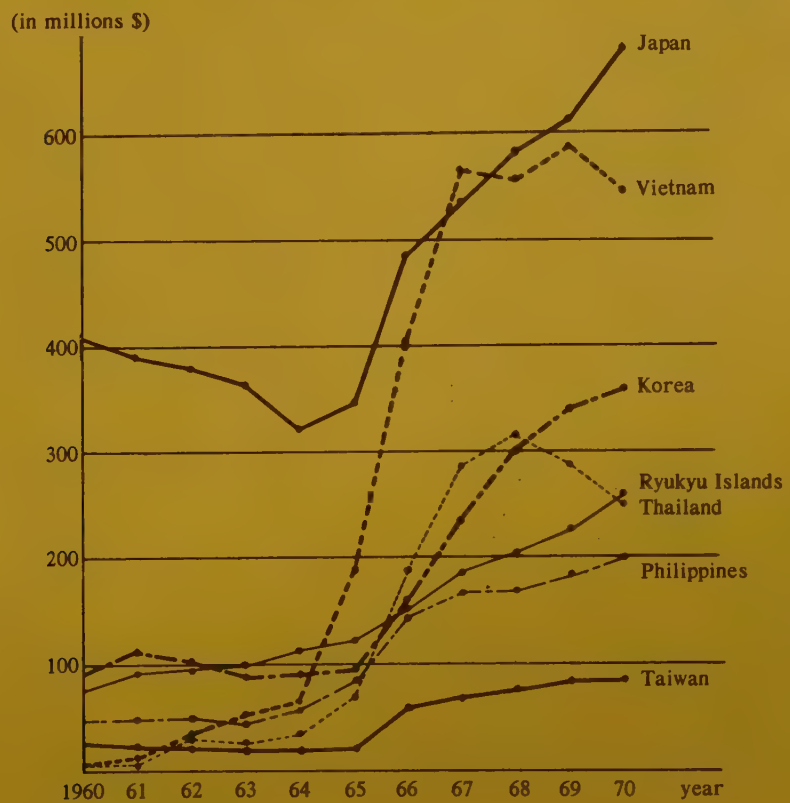
(in U.S.$ million)

	Average 1962-63	1964	1965	1966	1967	1968	1969	1970
U.S. Total	3,033.0	2,880.0	2,952.0	3,764.0	4,378.0	4,530.0	4,742	4,963
Asian Countries	710.5	704.0	926.0	1,592.0	2,050.0	2,205.0	2,316	2,368
(% of U.S. Total)	(23.43)	(22.44)	(31.37)	(42.30)	(46.83)	(48.68)	(48.84)	(47.71)
Japan	375.0	321.0	346.0	484.0	538.0	581.0	613	675
Korea	96.5	91.0	97.0	160.0	237.0	301.0	337	361
Philippines	48.5	58.0	81.0	147.0	167.0	169.0	180	200
Ryukyu Islands	97.0	115.0	123.0	150.0	188.0	202.0	227	261
Taiwan	21.0	21.0	21.0	60.0	70.0	76.0	82	83
Thailand	28.5	34.0	70.0	183.0	286.0	318.0	292	246
South Vietnam	44.5*	64.0	188.0	408.0	564.0	558.0	585	542

* Cambodia and Laos are included.

Sources: For 1961 to 1968, C.E. Shepler and L.G. Campbell, "United States Defence Expenditures Abroad," *Survey of Current Business*, Vol. 49 (Dec. 1969) and for 1970 and 1971, Joint Economic Committee of the United States Congress, "The Balance of Payment's Mess," Ninety-Second Congress, First Session (1971).

FIGURE 1. U.S. DEFENCE EXPENDITURES IN ASIA



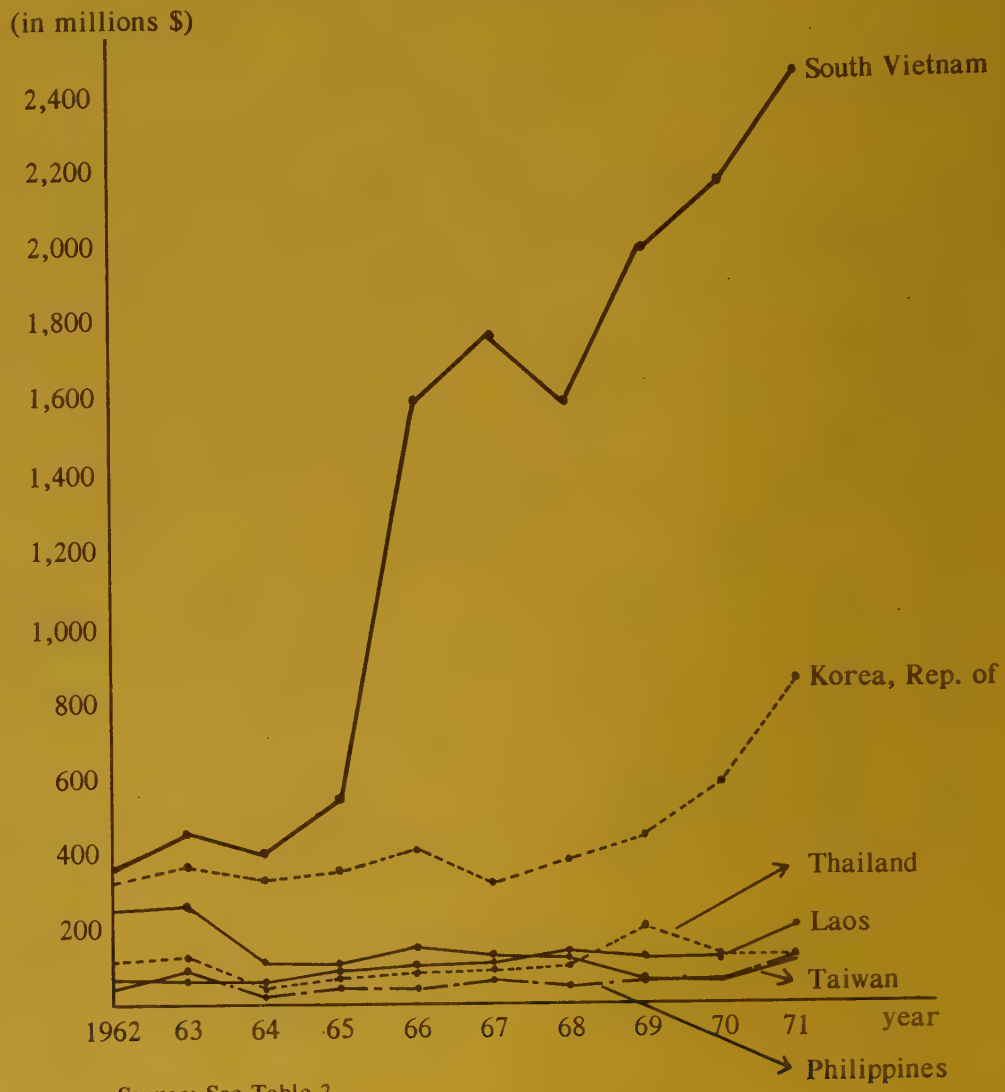
Source: See Table 1

TABLE 2
U.S. LOANS AND GRANTS*
(in million dollars)

	Average value of U.S. fiscal year			
	1964-65	1966-67	1968-69	1970-71
South Vietnam				
Economic	249.55	652.30	475.10	526.20
Military	225.35	1,032.65	1,331.30	1,773.15
Total	474.90	1,684.95	1,806.40	2,299.35
Cambodia				
Economic	1.7	+	+	38.4
Military	0.15	-	-	95.75
Total	1.85	+	+	134.15
Laos				
Economic	46.90	57.75	58.30	51.65
Military	30.65	53.45	78.80	115.00
Total	77.55	111.20	137.10	166.65
Philippines				
Economic	21.70	28.40	28.65	64.60
Military	14.45	23.50	23.95	20.95
Total	36.15	51.90	52.60	85.55
Thailand				
Economic	29.15	60.50	45.45	28.25
Military	29.35	31.55	111.70	104.90
Total	58.50	92.05	157.15	133.15
Korea, Republic of				
Economic	199.80	220.15	213.10	251.05
Military	148.70	151.45	203.70	484.70
Total	348.50	371.60	416.80	735.75
Taiwan				
Economic	51.40	42.60	8.40	60.90
Military	60.80	96.85	91.45	62.15
Total	112.20	139.35	99.85	123.05

Notes: * Obligations and loan authorization.
+ less than $ 50,000
Sources: U.S., AID, *U.S. Overseas Loans and Grants* (1970 and 1971).

FIGURE 2. U.S. LOANS AND GRANTS



Source: See Table 2.

TABLE 3
EXPORTS TO SOUTH VIETNAM BY ASIAN COUNTRIES

EXPORTING COUNTRY	EXPORTS TO SOUTH VIETNAM						Expansion	
	in Million Dollars			% of total exports				
	1962-63 1	1966-67 2	1970-71 3	1962-63 4	1966-67 5	1970-71 6	1966-67 7(=2/1)	1970-71 8(=3/2)
Japan	46.7	156.5	148.0	0.90	1.54	0.68	3.35	0.95
Taiwan	26.4	79.1	49.4	9.69	13.56	2.89	3.00	0.62
Korea, Republic of	1.0	10.7	13.6	1.41	3.75	1.42	10.70	1.27
Hong Kong	2.9	21.0	24.1	0.35	1.47	0.90	7.24	1.15
Philippines	0.6	2.1	2.4	0.09	0.25	0.20	3.50	1.14
Thailand	2.0	14.7	9.8	0.44	2.13	1.27	7.35	0.67
Singapore	18.8	91.8	109.9*	1.67	8.18	7.07*	4.88	1.20*

* 1970

Sources: *Direction of Trade*, various issues; *International Financial Statistics*, (International Monetary Fund-IMF, and International Bank for Reconstruction and Development—IBRD, Washington) Vol. XXVI, No. 1, Jan. 1973 (IMF, Washington); and *Commodity Trade Statistics*, various issues (UN, New York).

TABLE 4
SHARES OF U.S. DEFENCE EXPENDITURES AND ASIAN EXPORTS TO VIETNAM IN GROSS DOMESTIC PRODUCT (GDP)

	Total Revenue (Defence Expenditures & Exports to Vietnam) in Million $ 1	Exports to Vietnam as a % of Total Revenue 2	GDP at Current Prices in Million $ 3	Ratio of Total Revenue to GDP in % 4(=1/3)
Thailand				
1964-65	59.1	12.01	3,723.0	1.58
1966-67	249.2	5.89	4,864.7	5.12
1968-69	311.8	2.18	5,994.8	5.20
1970	266.3	3.68	6,473.8	4.11
Philippines				
1964-65	69.7	0.28	5,659.2	1.23
1966-67	159.1	0.84	6,844.5	2.32
1968-69	176.8	1.30	7,801.5	2.26
1970	202.4	1.18	6,119.2	3.30
Korea				
1964-65	104.6	10.13	2,826.6	3.70
1966-67	209.2	5.11	4,163.4	5.02
1968-69	328.2	2.80	6,088.3	5.39
1970	374.6	3.63	8,095.9	4.62
Taiwan				
1964-65	60.1	65.05	2,690.9	2.23
1966-67	144.1	54.89	3,355.9	4.29
1968-69	128.5	38.52	4,470.5	2.81
1970	132.4	37.31	5,453.9	2.42

Sources: Table 1 (Defence expenditures), Table 3 (exports), and for GDP, *International Financial Statistics*, various issues (IMF, Washington).

TABLE 5
TRADE INDICES AND DEFENCE EXPENDITURES

	Total (million $)			Foreign exchange Reserve		Defence Expenditures and Exports to South Vietnam as % of Foreign Exchange Reserve
	Exports	Imports	Deficit	Million $	of Total Imports	
	1	2	3(1-2)	4	5(4/2)	6
Thailand						
1964-65	606.9	705.5	-98.6	699.5	99.4	8.4
1966-67	689.0	977.4	-288.4	966.5	99.0	25.7
1968-69	681.3	1,195.4	-514.1	1,003.0	83.9	31.0
1970	710.2	1,298.5	-588.3	906.0	69.8	29.3
1971	831.1	1,289.6	-458.5	877.0	68.0	
Philippines						
1964-65	753.1	882.0	-128.9	157.5	17.8	44.2
1966-67	818.6	1,064.1	-245.5	187.0	17.6	85.0
1968-69	838.1	1,359.1	-521.0	141.0	10.4	125.3
1970	1,226.2	1,442.8	-216.6	251.0	17.4	80.6
1971	1,120.8	1,329.9	-209.1	382.0	28.7	
Korea						
1964-65	147.3	433.8	-286.5	141.4	32.6	73.9
1966-67	285.0	856.4	-571.4	300.8	35.1	69.5
1968-69	534.1	1,672.3	-1,138.2	472.0	28.2	69.5
1970	835.2	1,879.8	-1,044.6	609.7	32.4	61.4
1971	1,067.7	2,419.1	-1,351.4	571.0	23.7	
Taiwan						
1964-65	440.0	490.9	-50.9	298.5	60.8	20.1
1966-67	583.2	710.6	-127.4	376.5	53.0	38.2
1968-69	913.9	1,050.7	-136.8	412.0	39.2	31.1
1970	1,424.5	1,524.1	-99.6	624.0	40.9	21.2
1971	1,993.6	1,843.4	-150.2	526.0	28.5	
Singapore						
1964-65	943.4	1,190.1	-246.7	193.6	16.3	14.9*
1966-67	1,121.2	1,383.8	-262.6	213.2	15.4	43.5*
1968-69	1,410.3	1,850.2	-439.9	229.9	12.4	56.6*
1970	1,553.5	2,461.1	-907.6	294.4	12.0	37.3*
1971	1,852.1	2,984.5	-1,132.4	362.4	12.1	

* Exports to South Vietnam only.
Sources: See Tables 1 and 3.

TABLE 6

SUMMARY OF EXPORTS, INDUCED IMPORTS, AND PRODUCTION OF JAPAN, TAIWAN, AND KOREA: TOTAL AND VIETNAM, AVERAGE OF 1966 AND 1967

	Taiwan		Korea		Japan	
	Exports to S. Vietnam	Total Exports	Exports to S. Vietnam	Total Exports	Exports to S. Vietnam	Total Exports
1. Exports ($ million)	61.1	483.2	9.7	282.9	147.0	9,745.7
2. Supply requirement ($ million)	134.5	1,023.6	16.3	477.2	355.9	24,705.0
3. Domestic production ($ million)	102.6	864.1	12.4	445.0	334.7	23,143.0
4. Induced imports ($ million)	32.0	159.4	3.9	32.2	21.2	1,561.9
5. Ratio of supply to exports (%)	2.20	2.12	1.69	1.69	2.42	2.54
6. Ratio of imports to supply (%)	23.76	15.58	24.08	6.75	5.97	6.32
7. Ratio of imports to exports (%)	52.35	32.98	40.71	11.38	14.45	16.03

Explanation: Domestic production requirements (column 3) of each country have been computed with the following multiplication: (I-A•M) -1 X where A and M are the matrix of input and import coefficients respectively and X the vector of either exports to Vietnam or total exports. Induced imports (col. 4) are derived by multiplying import coefficients and domestic production requirements, and gross supply (col. 2) is the sum of these two components. Input-Output tables are of 1964 for Taiwan (43 inter-industry sectors), 1965 for Japan (56 sectors), and 1966 for Korea (43 sectors).

Source: Seiji Naya, "The Vietnam War and Some Aspects of its Economic Impact on Asian Countries," *The Developing Economies*, IX-I, March 1971, Table V1, p. 47.

TABLE 7

COMPOSITION OF MILITARY EXPENDITURES IN SOUTH KOREA

($ Million)

ITEMS	1966	1967	1968	1969
Military expenditures	114.1	171.4	216.6	249.4
U.N. forces stationed in Korea	30.4	35.2	49.3	43.1
U.S. offshore purchases	65.5	106.7	122.3	155.7
Receipts for utilities and transportation services	5.0	5.2	6.0	8.2
Receipts for Korean Military forces in Vietnam	13.2	24.3	39.0	42.4

Source: Balance of Payments Yearbook, (International Monetary Fund-IMF-Washington, August 1971).

TABLE 8

BALANCE OF PAYMENTS EFFECTS OF U.S. MILITARY SPENDING IN THAILAND, 1966-1971 U.S. FISCAL YEAR

($ Million)

	1966	1967	1968	1969	1970	1971
TOTAL	130	214	215	186	161	123
Military personnel	n.a.	50	62	76	69	54
Vietnam Personnel (R-R)	10	19	20	22	19	13
Construction	n.a.	80	72	30	10	13
Petroleum, Oil and Lubricant (POL) distribution	n.a.	9	11	10	10	7
Maintenance, supplies and services	n.a.	48	42	40	46	30
Miscellaneous	n.a.	8	8	8	7	6

Source: George J. Viksnins "United States Military Spending and the Economy of Thailand 1967-1971," Table 2, mimeo. These are net estimates of U.S. military spending —for example, it is estimated that the direct import component for payments to American contractors is 50 per cent and for Thai contractors 33 per cent. Figures on gross military spending in Thailand are not availabl-

Notes and References

The article draws considerably from:

Seiji Naya: "The Vietnam War and Some Aspects of its Economic Impact on Asian Countries", *The Developing Economies,* 1X - 1, March 1971.

The writer has also benefited from:

Buu Hoan, "The South Vietnamese Economy in the Transition to Peace and After," *Asian Survey,* X1 - 4, April 1971.

Hla Myint, "Overall Report", and Emile Benoit," Impacts of the End of Vietnam Hostilities and the Reduction of British Military Presence in Malaysia and Singapore", in *Southeast Asia's Economy in the 1970s* (Asian Development Bank, Manila, November 1970).

1. The Asian cities which served as R and R centres in the past were Bangkok, Hong Kong, Kuala Lumpur, Manila, Penang, Singapore, Taipei and Tokyo.

2. These expenditures do not always provide new dollar earnings to the recipient country. Some of these are paid for in domestic currencies accumulated by the U.S. Government as repayments on loans and as counterpart funds, etc. For this and other reasons, U.S. defence expenditures, as reported by the recipient countries, are considerably smaller than the U.S. values, e.g. for Korea and Thailand (see Appendix, Tables 7 and 8).

3. Buu Hoan, *op. cit.,* p. 308.

4. Seiji Naya, *op. cit.,* p. 43 - 45.

5. George J. Viksnis, "United States Military Spending and the Economy of Thailand, 1967-71" (mimeo.).

DEVELOPMENT: Indonesians speak of their home-grown "Berkeley Mafia", Filipinos of the "Harvard and M.I.T. boys" powerful in the economic management of the country, for throughout South-East Asia indigenous technocrats are coming to the fore in national development planning. This "nationalization of expertise," the following article observes, is a major aspect of a crucial development of the 1970s: the expanding role of the Asian peoples in planning and implementing the development of their own region. The article is a revised version of a paper presented at the Third World Congress for Rural Sociology at Baton Rouge, Louisiana, U.S.A. in August 1972.

The Quest for Development and the Discovery of Asia by Asians

Gelia T. Castillo

IN the decade of the '50s and the early '60s, rural development was synonymous with *community development* of the variety which the UN defined as "the process by which the efforts of the people themselves are united with those of governmental authorities to improve the economic, social and cultural conditions of communities, to integrate these communities into the life of the nation and to enable them to contribute fully to national progress." It was known as "local improvement through local effort." The vocabulary of the community development era was made up of words like self-help, grassroots, local government, wholistic approach, missionary zeal, involvement, participation, felt needs and a litany of other such holy words. It was an era of village idolatry "dedicated" to the pursuit of a "better" life for the villager. The late President of the Philippines Ramon Magsaysay expressed this concern in his famous pronoucement in 1956 about the small man's being entitled to "a little bit more food in his stomach, a little more clothes on his back and a little more roof over his head." Present-day activists would hardly be moved by such exhortation which was emotionally teaching then but rather outdated now that the battlecry at least in the city streets and university campuses is for structural changes either by peaceful or violent means. What we want for the small man has been considerably expanded to include literacy; a full time job (with no disguised unemployment or under-employment); a God-given acre of land he can call his own; infrastructure of facilities and services such as electricity, roads, communication, health and medical services; not only higher income but more equitably distributed income brought about by the use of labour-intensive intermediate technology. We envision good quality but free and development-relevant schooling for his children; decent housing; long healthy life with only two instead of seven children living in a pollution-free environment. In addition, we prefer that he stay in the village so as not to mess up our tourist-attractive cities.

The demands which have been placed at the doorstep of governments in Asia are certainly Utopian in vision, structural in nature, and urgent in the time horizon. "Time is running out" is the constant threat and if one were to go by the M.I.T. computer, "the world economy is headed for collapse within 70 years bringing widespread pestilence, poverty, and starvation-unless economic growth is halted soon."(1) One is therefore tempted to give up and say, "What's the use? We will all be wiped out anyway?" But as Asians who always have one foot in eternity, we refuse to be intimidated or even hurried by such grim predictions. Our optimistic fatalism (God will take care of the future) finds academic respectability in Albert Hirschman's principle of the Hiding Hand which suggests that "far from seeking out and taking up challenges, people are apt to take on and plunge into a new task because it looks easier and more manageable than it will turn out to be. As a result, the Hiding Hand can help accelerate the rate at which men engage successfully in problem-solving: they take up problems *they think* they can solve, find them more difficult than expected, but then, being stuck with them, attack willy-nilly the unsuspected difficulties—and sometimes even succeed." It is essentially "a mechanism which makes a *risk-averter take risks* and turns him into less of a risk-averter in the process. In this manner, it opens an 'escape from one of those formidable "prerequistes" or "pre-conditions" to development: it permits the so-called prerequisite to come into existence *after* the thing to which it is supposed to be the prerequisite."(2)

Given all the constraints to development, whether real, imagined or anticipated, what has been the response in Asia? This paper presents in capsule form:

- an identification of the common and diverse problems faced by different Asian countries and the "global" events in the region which provide the peculiar setting in which rural development is pursued;
- the emergence of collaborative undertakings among professionals in the region;
- some thoughts on the role or non-role of the rural

sociologist in development polices which impinge on rural life.

For reasons of as yet incomplete Asianization on the part of the writer, countries and programmes mentioned are only meant to be illustrative rather than exhaustive.

* * * * * *

IF one were to scan the Asian headlines for happenings significant in the past two decades, the following phenomena would readily emerge: the continuing rise of Japan as an economic power and her growing conspicuous economic presence almost everywhere in the world; the admission of China into the United Nations and its direct and indirect repercussions on Taiwan and the rest of Asia; the Middle East crisis; the Indo-Pakistan conflict over Bangladesh; the war in Indo-China; the isolation of Burma and the internal domestic problems in the Philippines, Malaysia, Ceylon, Thailand, South Korea and Indonesia which have in some cases brought on either a threat or an actual imposition of martial law. Happily, Asia is not in a perpetual state of conflict for signs of mending fences have begun to appear on the political horizons of North and South Korea, India and Pakistan, and hopefully North and South Vietnam. As the joint communique from Korea emphasized: "Unification shall be achieved through independent Korean efforts without being subject to external imposition or interference." (3) Lest one get the impression that Asia is one big "shoot-out" punctuated by "love-ins", allow me to point out some of Asia's problems and how Asians have tried or will try to deal with them. Admittedly the *development vocabulary* of the 1970s is quite different from that of the middle '50s.

An opening sample of the new lexicon comes from Princeton's William Lockwood:

"The labour force in most Asian nations is now growing at 2 to 2 1/2 per cent a year, thanks to the population boom of the '60s. To provide jobs for all with steadily rising levels of productivity is likely to require a growth in output well above the 5 1/2 per cent averaged by developing Asia over the past decade. Still more unemployment is particularly high among young people 15-24 years in age. Mostly they are unskilled, with rising expectations but unable to find jobs of adequate pay and regularity. The two great majorities of India says Prime Minister Indira Gandhi are the *young* and the *poor*. Her remarks underscore the politico-psychological dimensions of the situation. The old tranquilizers are less and less effective in keeping down frustration and latent violence. Already in Ceylon as in West Bengal, unemployed young ABs have mounted a desperate insurgency against the established order... People want education widely dispersed as a consumption good. They agree also that it should be regarded as a productive investment with a high priority assigned to the supply of manpower skills in various categories. Social scientists and educators find it difficult to offer any clear guidance in balancing and integrating these objectives."

For another side of the development picture, he refers to Japan as "the affluent society of the East with levels of full employment, technology, and education that project the future towards which other Asian nations hope to move... Her standard of life today—perhaps 4 to 6 times that of most of Asia is assurance that the revolution of modern science and technology can lift people in this half of the world as in the West, to levels of economic well-being undreamed of until our time. Looking back over Japan's modern century....she would hardly have received a high rating from a World Bank mission appraising her prospects."(4)

On the work front, Stephen Yeh and You Poh Seng conclude that: "If birth rates fall appreciably, the pressure created by new entrants to the labour force is likely to be eased in a decade or two but the fact remains that current problems in the work force are overwhelmingly difficult problems which will exist for some time, irrespective of the fertility trend.... Indeed for an increasing number of countries, employment is emerging as a more serious population problem than the adequacy of food supply because employment and labour utilization are related to the central development objectives of a more equal income distribution, increased output, and policies of industrialization."(5)

The inter-relationship of rural and urban development has never been more dramatically manifested than in the rural-urban migration and the resulting slums and squatter communities which are the bane of every national politician. As the Economic Commission for Asia and the Far East (ECAFE) observed as early as 1959, "urban growth in underdeveloped areas is not a feature of the expansion of the industrial base but an expression of the severity of the agrarian crises." (6) Rural development has long ceased to be defined as "a little more of this" and a "bit more of that." The problems identified with it are structural in nature and range from population pressure, technology, terms of trade both domestic and international, income distribution and administrative capacity.(7) Many of these are outside the decision-making frame of the villager and the local rural community. Therefore "lifting themselves by their own bootstraps" is not likely to get them there except if one wishes to perpetuate a subsistence existence.

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CEYLON (Sri Lanka) with its completely free educational system, subsidized rice rations, free health and medical services backed by pension schemes and poor relief, sophisticated trade unions, very inexpensive and well-developed transportation network would have been an excellent model for other countries aspiring to be welfare States, except that the Island Paradise is beset with critical problems: "The country's exports now fall far short of her import needs, and the whole economic machine is kept turning only by massive injections of foreign capital. Even these do not avert the need for a system of exchange and import controls of crippling severity. To put it bluntly, Ceylon has been living far beyond her means. Her social achievements are in refreshing contrast with those of other countries, but it can be asked whether there has been a corresponding emphasis in public life on the efficiency, work, thrift, even sacrifice, necessary to maintain and develop a welfare state. In all countries there is a

tendency for the public to look to government for benefits, even benefits that have not yet been earned, and in Ceylon this tendency seems especially strong." (8)

The Philippines has tried everything from barrio councils, multi-purpose community development projects, grants-in-aid, agricultural credit co-operatives, rural banks, farmers' associations, an expanded agricultural education system, land reform, its version of the green revolution, even an Israeli-style moshav, the writing of a new Constitution and now, a New Society under martial law. One other novel feature in the Philippine development scene is the businessman's approach to social development. One hundred and fifty of the largest business and commercial firms in the country contribute one per cent of net income before taxes for social development purposes.(9) At the moment, however, whether in spite of or because of all these undertakings foreign social analysts tend to view the Philippines with mixed feelings and uncertainty.(10) The natives, however, are more cautiously optimistic(11) for they know that Filipinos are noted for their resilience.

It is amazing how very quickly the People's Republic of China has become the "Mecca" for development lessons whether it be population control, environmental sanitation, communes, dampening of rural-urban migration, youth involvement, female liberation, or acupuncture. There is a continuous stream of observers from Asian countries eager to learn from the Chinese experience. The Philippine government, for example, before martial law lifted restriction on travel to Communist countries. Before this, everyone went to Taiwan to look at its programmes on land reform, farmers' associations, family planning, agricultural diversification, and agro-industrial development.

Thailand, in its National Economic and Social Development Plans, has emphasized the development of agricultural infrastructure and factor inputs such as land, fertilizer, farm mechanization, credit, research and extension to promote diversification in agriculture in anticipation of a decline in foreign markets for its rice. The politically sensitive North-East receives special attention by way of accelerated rural development.(12) Just like the other countries, Thailand is also concerned with reducing population growth, generating gainful employment, reducing the scale of rural-urban migration and premature drop-out of school children. (13) An interesting observation is made regarding the relationship between farm mechanization and population growth. It has been suggested that the introduction of the former would lead to lower fertility because of the decreasing demand for manpower. But recent happenings suggest "the farm mechanization might not bring about fertility decline in the transitional period. Though the farmers need fewer workers in their farm, they need higher incomes to buy or rent machines. The sons and daughters who are forced to migrate to work in the urban centres are becoming the most important source of cash income for the parents and other members of the families who stay behind in the farms." (14)

For Taiwan, however, Lee and Sun conclude that "agricultural development is altering the attitudes of farmers toward the economics of family size—because the prolonged schooling and small size of farms have reduced the value of children as producers. The high aspiration for education of children increases the perceived cost of rearing children. Highly developed agriculture also increases the felt need for money. All these factors work to reduce the ideal family size and motivate farmers to accept family planning. However, there are non-economic satisfactions associated with ideal number of children such as a very strong desire to have two sons in a family to continue the family line and to support parents in their old age. This factor alone will keep the number of children in a farm family at four." On the possible repercussion of using labour-intensive agricultural technology, Lee and Sun suggest the side effect of stimulating more rapid population growth through the increase in family size which is advantageous in the rural area where labour-intensive agriculture is being practised. (15)

In the case of South Korea which shared with Japan and Israel the honour of being the fastest growing economies in the world, Brandt says that the problem is one of extraordinary concentration in Seoul of the technological, cultural, capital and administrative resources which has so far "prevented most of the rural population from participating to any significant degree in the new prosperity that is so evident in the city." Politically, "the importance of placating recalcitrant urban voters through low rice prices was given much higher priority than any concern for rural welfare."(16) This wide gap in income between urban and farming communities has resulted in a flow of farm emigrants in search of new jobs in urban areas and thus a drop of almost 10 per cent in rural population from 56.5 per cent in 1961 to 45.9 per cent in 1970. (17) The population pressure on limited land has contributed to rural parents' hope for their children to have better jobs in the cities. Because of stiff competition, education was an essential factor for job entry in the cities. This competition combined with the rising cost of education seem to be a principal economic incentive underlying the success of family planning in rural Korea.(18) The obvious rural-urban disparities have given rise to a new nation wide movement to push modernization of rural communities with the ultimate goal of increasing the income of farmers and fishermen. President Park was emphatic, however, that the government will not extend its support to those who are not willing to help themselves for an "equal distribution of government money among the diligent and the idle alike is simply unfair." (19)

Malaysia, noted for its RED (Rural Economic Development) Book and its Operations Room which monitored the progress of infrastructure and other projects in different parts of the country, forged a New Economic Policy in the Second Malaysia Plan 1971-1975. While the First Plan emphasized land development, drainage, irrigation and rubber replanting to raise productivity and incomes, the New Policy incorporates "the two-pronged objective of eradicating poverty, irrespective of race and restructuring Malaysian society to reduce and eventually eliminate the identification of race with economic function." National unity is a paramount objective in the light of the sensitive position of the Chinese, the Malays and the Indians within the socio-economic structure of the country.

Indonesia — a relative newcomer to the international development scene — is currently the object of everybody's assistance to the point of reported project aid surplus amounting to US$613.3 million unspent.(20) Soedjatmoko in his assessment of prospects for Indonesia's development ascribes the changes in his country to the emergence of a new generation, the first which "grew up in a free Indonesia with a soul and mind unscarred by the pain and humiliation of the colonialist period" and therefore much freer in its relation with the outside world. This generation is much less ideologically inclined, much more pragmatic, more materialistic and realistic. It shares "a faith in science and scholarship and in what rationally applied technology can do to solve many of the problems connected with Indonesia's poverty and backwardness." Among the long-term structural problems he identified are "maldistribution of its population, massive and growing unemployment and pressures of excessive urbanization upon housing, schools, and jobs"; and the need to "reorient the educational system which tends to train people away from existing jobs in the rural sector to non-existent ones in the urban centres." (21)

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THE Asian Agricultural Survey in 1968 recommended rather strongly that the only valid route, the single strategy to sustained rural development is a movement toward a farming based on the application of the latest in science and technology. It also indicated that there seems little validity in the general argument that land reform is a necessary pre-condition to further agricultural development although in the long run many countries will not be able to escape the need for major tenurial reforms. Whatever weaknesses were found relative to land tenure seemed less of a constraint on output expansion than the technical constraints of poor crop varieties, inadequate fertilizer, irrigation, etc.(22) Whether or not it is a consequence of this recommendation, the phenomenon of increased food grain production occurred in Asia. This phenomenon called the "green revolution" has had its harvest of conferences, controversies, and literary productions.(23) More systematic empirical studies and analyses of its consequences are currently underway.(24) Needless to say there are prophets of destruction (25) and heralds of hope.(26) One can hypothesize, however, that the scantier the evidence, the more sweeping the generalization. A sobering analysis is provided by Carl Gotsch who compared the distributive aspects of agricultural technology in Pakistan and Bangladesh by explicitly relating them to the social and political dynamics at the village level. The consequences in the two countries differed on the basis of nature of the technology, access to production assets, distribution of land and institutional services, and existing economic, social and political structures. (27)

A most remarkable aspect in all the hindsights on the "green revolution" is the short memory which people have of the situation in 1960 when experts were pessimistic about ever producing enough food commensurate with the rapidly growing population. India, because of its sheer size is particularly illustrative. As Visaria describes it: in 1965 and 1966 unprecedented droughts aggravated this fear and the spectre of famine by 1975 was such that the developed countries would have to decide priorities as to which countries were to be saved. Within a few years the centre of future concerns shifted to the problem of adequate markets for rice and wheat outputs. This growth of output will not only improve nutrition but will also enable India to do without PL 480* imports thus increasing her degrees of freedom in pursuing independent policies. (28) Curiously, an American political scientist says that India's new agricultural strategy appears certain to involve her in closer economic dependence on American and other foreign private investors and to increase the constraints on an independent foreign policy.(29) Nevertheless the speed with which these innovations have been adopted in India, Pakistan, and the Philippines has altered our view of the fatalistic Asian farmer who is resistant to change. (30) There are those who belittle these events as being mere "pockets of change." It is well to remember that with the size of India, a pocket there means more than a whole country in South-East Asia. As Lockwood points out: "The exceptional fact about India in the present context is her extraordinary bulk, one-half of the whole of non-Communist Asia. It is one thing to modernize rural life and shape the Green Revolution in a nation of say 25,000 villages; it is quite another to design and execute policies that must spread through 500,000 villages or more." (31)

M.L. Dantwala's response to all the misgivings about the new developments was: "It may be argued that the discovery of high-yielding varieties was not a gift from heaven and but for appropriate policies, they would not have seen the light of day. Whose policies? Probably of the Rockefeller and Ford Foundations whose generous grants made it possible for the scientists in Mexico and Philippines to evolve the high-yielding varieties. The revolution was a reward of scientific research and not of the wisdom of economists; few even dream of it and many even do not believe it. It is our professional privilege and duty to question its occurrence or its consequences — Palace Revolt, Pandora's Box, Seeds of Disaster, Dualism — but let us not get into a stance that nothing good can ever happen in this country (India)." (32)

EDITORIAL NOTE:

* PL 480. "Under Public Law 480, enacted in 1954, the U.S.A. provides commodities drawn from its agricultural surpluses. The bulk of PL 480 shipments is sold to the recipient for local currencies. A small proportion of the proceeds is reserved for U.S. overseas expenditure and for loans to American and other foreign private investors, but the larger part is made available in grants and loans to the recipient country. Since 1966, the U.S.A. has made a growing proportion of PL 480 loans repayable in dollars. The programme has also been known as 'Food for Peace' and 'Food for Freedom'." (John White, "Aid and Investment", *The Far East and Australasia 1973*, Europa Publications, London, p. 64).

In recognition of the implications for income distribution, India has set up the Small Farmers Development Agency, schemes for marginal farmers and agricultural labourers, a crash scheme for rural employment, special projects for drought-prone areas, and promotion of security of tenure.(33) However, although most everyone is prepared to argue for a more equitable income distribution, suggestions on how to bring it about are rather scanty. As D.R. Gadgil for the Indian Planning Commission said:

> "The real problem in all progress toward egalitarianism is two-fold. One is something which arises out of the process of development in an underdeveloped economy. The ordinary process of development in an underdeveloped economy results in strengthening the position of those who are already in strategic positions and making them richer. If a city is growing, the land values at the centre of the metropolis grow without people doing anything about it. This is a natural process which happens everywhere. All through the economy if government expenditure on development makes the economy more active, then all those who hold strategic positions in the economy, without necessarily doing anything themselves grow richer and more powerful. It happens everywhere unless you do something to counteract the effects. The other aspect is that when government aid and assistance comes in a uniform pattern, the people who are more knowledgeable, who have access to seats of power, who know about things and have the right approaches are bound to profit more from it than those who do not, so that the richer, the more substantial, and the middle class profit more than the weaker sections. What you have to remember is that the weaker section is weak because the broad elements of general government policy do not touch it. If you want to bring about egalitarianism or at least not to accentuate inequalities during the development process, you have to take very special steps and these special steps are not easy to take." (34)

All countries of Asia in their different stages of affluence or of poverty have included technology as one of their chosen means of getting there. With varying degrees of achievement, perhaps epitomized by Japan at its pinnacle of four eras of consumer life-style during the years after the Second World War: (35)

First era, 1945-54 — Era of Food and Clothing
Second era, 1955-1964 — Era of Home Electrical Appliances (Washing machine, refrigerator and TV set)
Third era, 1964-1969 — Era of Large Durable Commodities (The Three C's — Room Cooler, Colour TV and Car)
Fourth era (present) — Era of Travel and Expensive Leisure Activities (domestic and overseas travel, exclusive golf clubs, etc.) (36)

It has been said that all these commodities and this wanderlust are substitutes for owning comfortable homes which are beyond the reach of the average Japanese citizen.

The countryside in Japan has also changed drastically with farm households sustained more by non-farming rather than farming income. There are commuter farmers who work in industry during the week and engage in agriculture on Sundays and holidays. What sustains agriculture is female labour, older people, and power cultivators. Farmers just like city folk want only two or three children and the oldest son is no longer obliged to inherit the farm. He, too, can have higher education and work elsewhere. (37)

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EVEN a cursory review of what is happening reveals that regardless of expected disparities between the manifest objectives of development policy and its actual accomplishments it is difficult to avoid the conclusion that changes must be taking place in Asia. Progress is reported on the Mekong project despite the war and the criticism that it has been too much of an engineering affair. Bardach raises the question as to what ecological, social and economic problems can be expected when a river is dammed. As he puts it: "There is more to dams than meets the eye." His scepticism as to how the Mekong would end up is expressed as follows: "If planning for social changes seems not to work in the American megalopolis where such funds exist, where many people have goodwill, where everyone is literate, where some administrative channels of communication have been blasted and where there exists a large number of trained social scientists to look at the problems and to mull over them, how can it work under conditions where all these inputs do not exist?" (38) Indeed one could ask how someone with everything could ever be faced with such problems!! Not quite as pessimistic is Chalkley who argues that: "There are always costs and drawback .... yet if we were to consider all the drawbacks as being too great a price to pay, then mankind would never advance from the subsistence stage of existence. " (39)

Without too much difficulty one can identify in Asia a core of development problems besides the general trilogy of poverty, unemployment and inequality. More specifically there are issues of rapid population growth and inadequate food supply, rural-urban disparities, supply and demand for trained manpower needed for development tasks (tremendous shortage as well as educated unemployment), agrarian reform, environmental crisis, phenomenon of youth in numbers and in revolt, the Green Revolution, urban slums, etc. However, these problems do not manifest themselves uniformly because of the cultural diversities of race, ideology, ethnic identification, politics, religion and language which characterize the region. Hence, all of Asia is similar and yet so fascinatingly different in its many similarities.

Because of the prominent role given to science and technology and the application of the rational planning process to development, and despite the meagre results in some cases, the so-called *Technocrats* have become the *new Mandarins* in most of Asia. Indonesia which rightly boasts of *no brain drain* has a group of brilliant men facetiously referred to by friends as the "Berkeley Mafia" which is very much involved in national development planning. The Philippines has its brains trust of "Harvard and M.I.T. boys." Thailand and Malaysia have their

share of British and American University Ph.D's. India certainly has its own as well as foreign-trained academicians turned Technocrats. The decade of the 70s will see less and less of pale-face foreign development experts in these countries. Nationalization of expertise is very much in evidence in several countries. Regionalization has likewise begun with "brown" faces being called upon by their neighbours to come as visiting professors, consultants, and partners in problem-solving. The pattern of international development assistance has shifted to whirlwind, high-powered missions launched by the World Bank, the Asian Development Bank, the UNDP, ILO and other international agencies. In these cases, the natives are rarely privileged to be experts in their own countries except as information provides to the mission. However, one observes that a few Asians (expatriates or locals) are often included in these missions hopefully for anticipated contributions rather than convenient goodwill entrees.

Contrary to Kipling's famous lines on East is East and West is West, the situation had traditionally been mainly East meeting West and West meeting East but East seldom meeting East. We used to have a mutual ignorance of, prejudice against, and even contempt for each other. At the moment, side by side with divisive forces, there are a plethora of regional collaborative undertakings arising from a growing consciousness of kind and of common problems. Asia has begun to emerge as a meaningful frame of reference we never had before. At no other time in our history have so many Asian or at least Asian-labelled efforts come into being whether on paper or in actual function. One can begin with the One Asia Assembly held two years ago, the Press Foundation of Asia and the Asian News Service. Politically there is the ASEAN (Association of South-East Asian Nations), the Asian Parliamentarians' Union which is contemplating an economic arm called the Asian Development Centre. Economic co-operation is sought in the Asian Coconut Community, Asian Productivity Organization, Asian Development Bank, Asian tractor plant, car manufacturing, steel mills, etc., and on the drawing board is an Asian Economic Union with Japan and Australia as industrial partners designed to be the Asian answer to the competition posed by the large economic blocs of the world. The South-East Asia Ministers of Education Organization (SEAMEO) has centres for agriculture, engineering, tropical biology, tropical medicine, English-teaching, and innovative technology located in the different South-East Asian countries. There is an ASAHIL (Association of Asian Institutes of Higher Learning), a Regional Institute for Higher Education, an Asian Institute of Management, an Asian Vegetable and Research Development Centre, a Food and Fertilizer Technology Centre, an Asian Mass Communication Research and Information Centre (AMIC), an Organization of Demographic Associates for East and South-East Asia, a Council for Asian Manpower Studies, an Asian Labour Education Centre, an Asian Centre for Development Administration, and an Asian Institute for Economic Development Planning. For the first time we have Asian and South-East Asian study centres and programmes in Asia. They were all previously in the United States and Europe. Asia, in the past, was not infrequently represented by Westerners. On the side of Asian pulchritude, we have a Miss Asia Quest and the 1972 Miss Asia was a tall, statuesque blonde from Australia. This is not an accident of biology but rather an indisputable fact of geography.

Although we have discovered each other, it is not necessarily love at first sight for it takes a lot of knowing for enduring love to blossom. The historical and cultural chasms will take time to bridge. The only language we can communicate in at the moment is English but we all love Chinese food. One must also confess that many of these Asian labels are predominantly Western-supported although leadership is Asian except in a few cases. But these regional pursuits belong mostly to prominent statesmen, professionals and intellectuals all of whom have a common background of Westernization. The masses of our people have yet to benefit from consolidation of forces in the interest of bargaining power. The ECAFE prides itself on having broken new ground in a document listing 44 indicators of social development covering population control, health, housing and nutrition, education and culture, employment, social and personal security. These are supposed to include the major aspects of the individual's life and living.(40) It is regrettable that indicators of social development do not include number of smiles per square mile and amount of tender loving care lavished on another human being every other day. It is a fact of life in development that our preoccupation with what is quantifiable has taken the place of what is significant. Rural sociologists have not as yet made it to the ranks of the new Mandarins. They might never make it as long as the greatest contribution they have to offer is the generalization that modernization is a multi-factor phenomenon and that the more developed villages are the ones most likely to develop. Nowadays, if we want to get ahead in life, there are four possibilities — population, pollution, green revolution, and urbanization. If we throw in employment, education, and equality, we are certain to reap manna from the U.N.

In the light of all these, a great temptation to the rural sociologist is to capitalize on these societal woes. But out of a social conscience, if not a professional obligation, they should ponder upon the growing *structuralization of human variables.* Let me illustrate what this means: *People* who have always been people have now become *manpower;* education which has traditionally been regarded as good in itself is now being recast from a *consumption good* to a *productive investment;* the peasant's much-awaited bounty harvest has been transformed into a battle of the *green* and the *red revolution;* modern inputs developed to rid us of pest and disease are now ruled out as *pollutants of the environment;* children who were loved and cherished then are now the dependancy burden of today; the less of them we have, the better is the future; *machines* which used to lighten man's physical burden are mercilessly cursed as *labour displacers;* the country mouse in search of his pot of gold in the city finds himself an eyesore to the urban planner; the youth who were once the hope of the future are now the educated unemployed, the insurgents against the Establishment. Man whose individuality was once held sacred is now the object of equality which borders on uniformity; the family which used to be man's most reliable anchor is dispensed with as a drag on entrepreneurship; destiny which was a matter for "the stars" is now a canned programme fed to the computer. Fortunately, the Father of GNP is having second thoughts about his baby. But whatever happened to the old-fashioned human being?? Can we bring him back?

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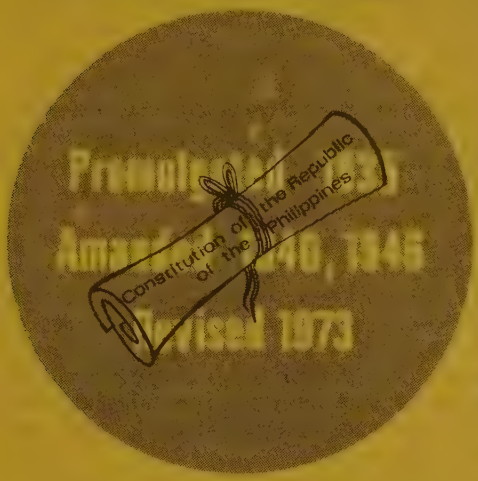
THE PHILIPPINES: Changes introduced by the new Philippines' constitution — announced by a Constitutional Convention on 30 November 1972 and proclaimed by President Marcos the following 17 January — do not represent a radical departure from past practice. The forms of the British parliamentary system have been adopted, but a Supreme Court has been retained and, in accordance with the Philippine constitutional tradition of a strong executive power, the Prime Minister will have recourse to referenda if in fundamental dispute with the legislature and will enjoy a veto power over legislative action, as well as other presidential-type powers.



The Revised Constitution: Progress in Stability

Enrique M. Fernando

"LAW must be stable and yet it cannot stand still." (1). So intoned Dean Pound in his survey of legal history. The aphorism may well serve as the starting point in an appraisal of the Revised Constitution of the Philippines, tentative in character and rather general in tone, in terms of the innovations introduced and the precepts adhered to, both as to rights and as to the structure and operation of government. It is submitted that as to the former, the basic theme is reaffirmation and rededication, and, as to the latter, change and continuity. It may be concluded then that the new Philippine charter represents progress through stability.

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FOR the inquiry to be meaningful, the circumstances that led to the constitution's framing should likewise be looked into. As far back as the early 'sixties, about a decade before the Philippine Constitutional Convention met on 1 June 1971, there was manifest a feeling of concern as to how effective the then fundamental law was in the solution of grave problems of State, primarily in the socio-economic sphere. The pessimists, fortunately confined to a few, were even then worried as to the survival of the body-politic. The more realistic among the observers of the contemporary scene suffered from no such fears, but they saw the need for changes in the 1935 Philippine Constitution to make it more responsive to the needs of the times. Such an attitude grew stronger with the years. It acquired momentum. Late in the 'sixties, a sense of urgency was in the air. If, in the language of a leading Filipino jurist, Jose P. Laurel, the 1935 Constitution was adopted at a "time of surging unrest and dissatisfaction," (2) as much, if not more, can be said of the revised Charter. When the 1971 Convention opened its proceedings, the atmosphere was one of disquiet, even turmoil. It did appear, to borrow from the language of McIver, that there were "eruptive forces that (could) precipitate a grand event of history" (3). Fortunately, the forces of discontent and radicalism did not prevail. The counsel of moderation was heeded, and the revised Charter is hardly notable for its novelty, much less a departure from the country's constitutional tradition. The regime to which the Philippines had grown habituated did not change much, with the rights reaffirmed to secure which the government is instituted, the only difference being that it is the British parliamentary system rather than the American presidential prototype that served as the model. It is submitted then that the reality as against the appearance argues against the conclusion that things have been altered beyond recognition.

It has been said that deliberative bodies, not excluding constitutional conventions, may begin with ineptitude and end in disaster, or the resulting product may be fitly characterized as conceived in apathy, weariness and boredom. Such strictures could not, with justice, be applied to the 1934 Constitutional Convention, notable for its galaxy of dedicated and able Filipinos, led by Claro M. Recto, Manuel A. Roxas, Jose P. Laurel and Rafael Palma. There were fears that the 1971 Constitutional Convention would not fare as well, considering that some of the outstanding parliamentarians in the Senate and the House of Representatives did not choose to stand for election, but these turned out to be unjustified (4). Its roster of delegates, including some members of the earlier Convention, was graced with men of stature and first-rate ability. It had as its first President, the late Carlos P. Garcia, who, from 1957 to 1961, was the head of the Republic. Upon his sudden death on 14 June 1971, three days after his election, his successor was another former State President, Diosdado Macapagal. The President *pro tempore* was Sotero H. Laurel, a noted educator and son of Jose P. Laurel. Its temporary Presiding Officer was former Speaker Antonio de las Alas and its temporary Chairman, former Senator Juan Liwag. Two outstanding men of the law, former Supreme Court Justices Jesus Barrera and Jose Ma. Paredes were among its members.

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In both conventions, there was in reality a test of leadership, that of Senate President Quezon in 1934 and that of President Marcos in 1971. There is this difference though. In 1934, there was hardly a ripple of objection to the programme of President Quezon; in 1971, the opposition of a number of delegates headed by former Senator Raul S. Manglapus and Teopisto Guingona, both of whom tried and failed to win the presidency of the Convention, made itself felt. Their ranks were strengthened by several among the younger elements in the Convention, who were well-informed and articulate. This vocal group went further than merely registering dissent with the presidential policy. It was their view that there was an exigent need for a complete overhauling of the then fundamental law. In their opinion, it was archaic. It was not long however before they realized the futility of advocating radical changes in the face of an unresponsive Convention, even if during the first few weeks they were encouraged by what they considered to be its uneasy mood and uncertain temper with the existing state of affairs. The disenchantment with the 1935 Constitution coloured their speeches. At any rate they contributed more than their fair share of novel ideas of constitutionalism. They were among those devotees of new cults that seemed to be eroding ancient faiths.

Surprisingly, a few of the more mature delegates, perhaps under a sense of disillusionment, appeared to be in agreement. That was understandable in the case of some with but a slight acquaintance of the deliberations of the 1934 Convention and apparently unsure of their footing in the doctrines of American constitutional law which supplied the explanation for some of the provisions to which they objected. But it was unexpected when ill-founded criticism came from delegates with sufficient legal background who ought to have known better. However, even before the declaration of martial law on 21 September 1972, it was clear that the supporters of the Marcos Administration had the votes. After the announcement that martial law was in force, the Convention, with more sobriety and hardly any signs of dissent, moved faster. The result was the revised Constitution, approved on 30 November 1972.

It was both undeniable and appropriate that in the end the stamp of the Marcos approach to constitutional problems was affixed to the revised Charter (5). The Constitution is a product both of the time it was framed and the people responsible for its adoption, more specifically in the later case, the dominant personalities of the era. In the Philippines, with its fidelity to the tradition of a strong executive, it was to be expected that in 1971 as in the 1934-35 Constitutional Convention, the administration in whom the responsibilities of leadership were then confided could not have been ignored. Its views as to the State objectives and the means of their attainment through the fundamental law had to be reckoned with. So it turned out, and this was by no means unique. The Constitution of the French Republic approved in 1958 was inspired by de Gaulle (6). Parliamentarism survived, but with the President having enough authority to act as a counterpoise. No other fundamental law could suit his purpose or personality (7). For that matter the American Federal Constitution of 1787 to many bore the marks of a charter suited to the programme of government of George Washington. This is not to deny that historical, economic and other sociological forces cannot be ignored by the framers. It is only to underscore that a sense of realism compels the admission that whoever is in control of the political forces is likely to have his say (8).

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To pursue the matter on a theoretical level, using the terminology of Maddocks, at either extreme of the contending forces in a constitutional convention would be those for whom constitutionalism partakes of fanaticism, the real zealots, and those for whom it connotes stagnation. In more matter-of-fact language, the radicals and the conservatives would usually be found ranged against each other. Neither group, however, is likely to prevail, with its objectives completely realized. Here as in other aspects of political life, the group less intransigent in their demands, more receptive to compromise, would carry the day. For persons of such persuasion, constitutionalism is identified with gradualism, always on the move yet slowly, with measured tread.

That is one way of looking at the revised Constitution. The finished product hardly reflected the bitterness in tone and the extreme proposals that at times fueled the wide-ranging debates in the Convention. As a result, the changes in the 1935 Constitution were far from epochal. A large number of delegates, champions of moderation, were convinced that some of the Cassandra-like predictions of what would come about if there were no rejection of the then accepted concepts, were contingent on events that had yet to occur and circumstances that had yet to develop. They could view matters with more equanimity. Moreover, they believed that some of the alterations proposed could build a fragile temple of illusions. Nor were they reconciled to the atmosphere of bitterness and recrimination, which in their opinion precluded calm analysis. While cognizant of what could be looked upon as grim realities, they did not despair. Much less did they lay the blame entirely on what for some were the self-evident imperfections of the 1935 Constitution. They well knew that with a sense of history lacking, the remedy proposed may be worse than the disease.

In the end, such an attitude appeared to be shared by an overwhelming number of delegates. That was to heed the counsel of realism. For the Convention did not start on a blank slate. Experimentation with something new may be fraught with danger. It was well-advised then not to have done so. For government, if viewed as a science, involves problems and difficulties formidable in character. If the technique of leadership by which it is carried out is looked upon as an art, it is quite baffling and complex. There is need then for caution and prudence, not the duty but the necessity, to paraphrase Holmes, to keep continuity with the past, to adhere to what has been insofar as it has not led us astray or involved us in events we now consider deplorable or unfortunate. Nor is this to advocate an idolatrous reverence for history. The 1935 Constitution, while deserving of the utmost respect, for some even fulsome veneration, was not a sacred object to be left untouched and kept intact. If that were the view, then it is better that no Convention were held at all. There certainly was room for innovation, but not on an extensive scale. So it turned out. The forces of gradualism prevailed.

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IT is not amiss then to discuss, although in the most general terms, the changes in the 1935 Constitution. A written charter has two main sets of provisions, rights assured and the government set up. As to the former, there is in the revised Constitution a reaffirmation of the traditional liberties in the sense of "freedom from" and a redirection in the emphasis on the recently emerging claims on government in the sphere of "freedom for." There was a fine start in the former fundamental law with the social justice principle (9). The inescapable responsibility was thrust on the State to translate into reality the promise of liberty in its positive signification. Such a principle meant, as Justice Laurel correctly observed, the humanization of laws and the adoption by the government of all measures calculated to insure the economic stability of all the component elements of society (10). Perhaps a more meaningful version of the principle is Magsaysay's declaration that he who has less in life should have more in law (11).

The Revised Charter goes much further. It has clarified as well as expanded the principle. This is what it says: "The State shall promote social justice to ensure the dignity, welfare, and security of all the people. Towards this end, the State shall regulate the acquisition, ownership, use, enjoyment, and disposition of private property, and equitably diffuse property ownership and profits" (12). The next section reads: "The State shall establish, maintain, and ensure adequate social services in the field of education, health, housing, employment, welfare, and social security to guarantee the enjoyment by the people of a decent standard of living" (13).

Much more so than in the past, the Government is called upon to be not a mere spectator in the game of life but an active participant. So it must be under twentieth-century conditions. It would be recreant to its mission and false to its trust if it were a blind and supine instrument of what hitherto has been thought to be irresistible economic and social forces. It must act even at the risk of occasional failure, after, it must be said, careful thought and reflection. The important thing is that it does not remain idle or apathetic. Better by far, to recall Franklin Delano Roosevelt, a Government that makes occasional mistakes than one frozen in the ice of its own indifference. As we of the tropics say, man does not live by rice alone, but unless there is enough of it, our health and physical well-being suffer. We cannot ignore the moral and intellectual aspects of existence, but we start with the basic necessities. It should be our aim to reduce to the lowest number, if not altogether eliminate, the number of citizens of second-class status in terms of the food they eat, the houses they live in, the clothes they wear, the medicines they do without, and the education their children cannot afford. On government falls a task of the utmost priority and urgency. A decent life for all must be the goal. It cannot lose sight of such an objective. So the redirection in the sphere of rights makes manifest. What is equally evident, gradualism is not stagnation.

As to the structure and functions of government set up, there is, on the conceptual level, a marked difference between what was formerly provided for and what is now instituted. In place of the former presidential system, the Constitutional Convention opted for the parliamentary form. While there appears to be a departure from the American model, it is not true to say that the British system has been adopted. Nor would there be wisdom if such a move were attempted. The habits and traditions of the people have too strong a hold to be easily shaken. The Philippine experience has been that the Executive Office is one of strength and of leadership. It continues to be so under the Revised Charter. That is as it should be; that is gradualism.

Of even greater significance, considering that it was during a period of martial law that the revised Constitution came into being, is its responsiveness to the needs of the times. Here the words of the man whose influence was felt in the Convention Hall, President Marcos, are relevant. To quote from his latest publication: "Everyone recognized the legal basis for the martial necessity; this was the simplest thing of all. National decline and demoralization, social and economic deterioration, anarchy and rebellion were not just statistical reports: they were documented in the mind and body and ordinary experience of every Filipino. But, as a study of revolutions and ideologies proves, martial rule could *not, in the long run,* secure the Philippine Republic unless the social inequities and old habits which precipitated the military necessity were stamped out" (14). Nonetheless, with the recognition of the significance and urgency of a new charter, there was no disruption of the ways of public life we have been accustomed to. There was progress. There is hope for a better future, but in terms of the fundamental law, the past is still with us.

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THE article on the Bill of Rights in the Revised Constitution contains the provisions found in the 1935 fundamental law. They are intended to secure liberty in a negative sense or "freedom from." One is to be let alone to work out one's destiny. There is to be no impairment of one's autonomy of will, unless restriction be demanded by compelling public interest. Even then, the presumption must be in favour of absence of restraint. This should especially be the case where freedom of the mind is involved. Such an age-old postulate still possesses validity for this modern day and age.

The Bill of Rights as a whole is a guarantee of those traditional civil liberties which in our country date back juridically speaking to the inception of American tutelage on 11 April 1899. If viewed, however, from the aspirations that kindled the patriotic ardour of the generation of such Filipinos as Rizal, Del Pilar, Bonifacio, Aguinaldo, Luna and Mabini, they have a longer history. For in the last quarter of the nineteenth century, the Filipinos — at least those fortunate enough to belong to the well-educated class — already nurtured the hope that they would enjoy the blessings associated with the Western liberal tradition. The Bill of Rights, it bears repeating, is an assurance of such a basic aim and purpose. What is therein provided may be spoken of as the traditional civil liberties. There is thus a reaffirmation of what has been, with certain modifications. There is to be no invasion in the realm of the intellect and the spirit, *freedom of the mind,* and there must be no restraint on the freedom of the person to be where he wants to be and to act in the way

he chooses subject to valid police power regulations, *freedom of his bodily movements.*

The amendments introduced in the Bill of Rights (15) are in essence minimal. Where formerly there were twenty-one paragraphs in one section, now there are twenty-three. The two new rights consist of an express recognition of the right of the people to have access to official records and to documents and papers pertaining to official acts, transactions, or decisions, subject to such limitations as may be provided by law (16). The other right that is now included assures the speedy disposition of cases before all judicial, quasi-judicial or administrative bodies (17). What implication does the adherence of the article on the Bill of Rights to such traditional phraseology yield? It appears quite obvious that it has survived the scrutiny of the most critical. The objection in some quarters that it is couched in the language of venerable Anglo-American fundamental precepts and therefore no longer responsive to present needs fell on deaf ears. Nor was there any acceptance of the view that such terminology does not sufficiently take account of Philippine conditions. Instead, for many delegates, it was desirable to let well enough alone. The wording of the specific guarantees, "of technical precision and perspicuous brevity" according to Madison (18) did prove to be a source of strength. For such quality notwithstanding, there is likewise an element of generality to meet changing conditions. What is more, there is also the distinct advantage in retaining the tried and tested phraseology constituting as it does an affirmance of the views expressed in leading decisions, both Philippine and American. That is to lessen the danger of any misinterpretation of the scope of such rights.

This brings us to one of the two new rights found in the Revised Constitution expressly recognizing that the people are entitled to information on matters of public concern and thus to access to official records as well as documents of official acts, transactions, or decisions, subject to such limitations imposed by law (19). Reference is made to the explicit character of such a right for under the 1935 Constitution, the Supreme Court did not go that far. In Subido v. Ozaeta, (20) a 1948 decision, it held that *mandamus* would lie to compel the Secretary of Justice and the Register of Deeds to allow a newspaper editor to examine the records of the latter office. Its ruling was based, however, on statutory rather than constitutional grounds. The concurring opinion of Justice Briones expressed for this author the better view. He would grant the relief sought on the view that Press freedom includes this right of access to information. Now all doubts are set at rest. This provision in the revised Constitution is thus a step in the right direction. The public has a legitimate interest in matters of social significance. Information concerning them may be yielded by State papers and documents. They should be made available to representatives of the Press and all forms of mass media. There may be, of course, classified information involving national security. There would be justification then for secrecy in some cases, but the more limited they are, the more meaningful is Press freedom (21).

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As opposed to the article on the Bill of Rights reaffirming what has been, the provisions in the Declaration of Principles are intimately, not to say inextricably, connected with vitalizing a regime of liberty not as just immunity from governmental restraint but as the assumption by the State of an obligation to assure a life of dignity for all, especially the poor and the needy. More specifically, the provisions refer to expanded social justice and the protection of labour. This is not to say that we are here speaking of something novel. What we have is a rededication to accepted national ideals. Even under the 1935 Charter, the Philippine Supreme Court could state: "The welfare state concept is not alien to the philosophy of our Constitution" (22). In a 1970 decision, such a view was again given expression in terms of the rejection of the *laissez-faire* theory. "What is more, to erase any doubts, the Constitutional Convention saw to it that the concept of *laissez-faire* was rejected. It entrusted to our government the responsibility of coping with social and economic problems with the commensurate power of control over economic affairs. Thereby it could live up to its commitment to promote the general welfare through State action. No constitutional objection to regulatory measures adversely affecting property rights, especially so when public safety is the aim, is likely to be heeded, unless of course on the clearest and most satisfactory proof of invasion of rights guaranteed by the Constitution. On such a showing, there may be a declaration of nullity, not because the *laissez-faire* principle was disregarded but because the due process, equal protection, or non-impairment guarantees would call for vindication. To repeat, the Philippine Constitution which took effect in 1935 erased whatever doubts there might be on that score. Its philosophy is a repudiation of *laissez-faire*. One of the leading members of the Constitutional Convention, Manuel A. Roxas, later the first President of the Republic, made it clear when he disposed of the objection of Delegate Jose Reyes of Sorsogon, who noted the 'vast extensions in the sphere of governmental functions' and the 'almost unlimited power to interfere in the affairs of industry and agriculture as well as to compete with existing business' as 'reflections of the fascination exerted by (the then) current tendencies' in other jurisdictions. He spoke thus: 'My answer is that this constitution has a definite and well defined philosophy, not only political but social and economic ..... If in this Constitution the gentleman will find declarations of economic policy they are there because they are necessary to safeguard the interests and welfare of the Filipino people because we believe that the days have come when in self-defense, a nation may provide in its constitution those safe-guards, the patrimony, the freedom to grow, the freedom to develop national aspirations and national interests, not to be hampered by the artificial boundaries which a constitutional provision automatically imposes,.'" (23)

It cannot be denied, however, that under the 1935 Constitution, the provisions on social justice (24) and protection to labour (25) were cast in terms of the utmost generality. The Revised Constitution, by way of lending emphasis to such fundamental principles, is much more categorical and specific. It has made even more manifest the commitment of our polity to its assumption of its inescapable responsibility to ensure the welfare of each and every Filipino in terms of a decent existence. The Filipinos

aspire, as their First Lady, Mrs. Imelda R. Marcos, has said, to have "a compassionate society." (26).

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ON the conceptual level, there is a marked difference between the former structure and functions of government and the new provisions. In place of the presidential system, the Constitutional Convention opted for the parliamentary form. While there appears to be a departure from the American model, it is not true to say that the British system is now with us.

The matter can be profitably discussed from the standpoint of the doctrine of separation of powers under the present dispensation. After all, that is, as Justice Laurel said in Angara v. Electoral Commission, "the fundamental principle" (27) of the 1935 Constitution. This approach has the merit of being confined to fundamentals, without necessarily being too abstract. We are confronted with the question of whether or not under the Revised Constitution, legislative supremacy is the necessary result, with less than vigorous leadership to be expected of the Executive. Also, the role of the judiciary is to be scrutinized.

As set forth, it is a parliamentary form of government that is adopted by the Revised Constitution. Nor is it open to doubt that it is the British model the framers had in mind, subject of course to modifications to accord with our experience and our needs. The consequence is the departure from the doctrine of separation of powers as traditionally known to us. Where before executive and legislative are co-ordinate and co-equal, it is no longer so. We have instead the supremacy of the National Assembly, the department vested with the lawmaking function. The Revised Constitution, although not making use of precise language, speaks to that effect. It provides that the legislative power "shall be vested in a National Assembly" (28). There is no such categorical statement as to the executive power which "shall be exercised by the Prime Minister with the assistance of the Cabinet" (29). With such a distinction between legislative power being *vested* and executive power being merely *exercised* and no specific grant as to the latter competence being made, it seems to follow, if meaning were to be accorded to such change in terminology in accordance with the basic assumption under parliamentarism, that the legislative body is likewise possessed of the executive prerogative. Such a conclusion becomes more manifest when it is noted that the Prime Minister must come from the ranks of the National Assembly to be elected by a majority of its members (30). Thereafter, the Prime Minister appoints the members of his Cabinet to head the various ministries, at least a majority of whom must come from the National Assembly (31). The enforcement therefore of the legislation enacted pursuant to a policy adopted by it could be looked upon as likewise its concern, to be performed through a Prime Minister who, under the constitutional scheme, is its agent. He is the one who, in legal contemplation, gives the orders. Such is the similarity with the norm followed in Britain, except that there it is the Cabinet, not the Prime Minister, at the command post. There is thus a fusion, rather than a separation, of legislative and executive functions.

With reference however to the judiciary, there is no deviation whatsoever from its previous status of being co-ordinate and co-equal with the legislative departments. Such being the case, what has been written concerning the common ground in which both departments may operate still holds true. Certain statutes, insofar as they apply to individual cases, may partake of adjudication. On the other hand, when the courts construe statutes, the effect may be to indulge in judicial legislation, which thereafter may be subject to further alteration or even repeal by the National Assembly in the form of later enactments. Such a conclusion applies as well for checks and balances. Thus it is the National Assembly that creates inferior courts and defines, prescribes and apportions the jurisdiction of all courts with the exception of such matters of which the Supreme Court cannot be deprived, specifically made mention of in the Constitution itself (32). It is also the National Assembly that prescribes the qualifications of judges of interior courts with the limitation that to hold such positions, they must be natural-born citizens and members of the Bar (33). It has too the prerogative to fix by law the salaries of all members of the judiciary from the Chief Justice down (34). Then, there is a new provision. The National Assembly must be furnished by the Supreme Court within thirty days from the opening of its regular session an annual report on the operations and activities of the judiciary (35). On the other hand, the judiciary still retains the function of judicial review to annul the acts either of the National Assembly or of the Prime Minister. The procedure for the exercise by the Supreme Court of this power is prescribed (36). Moreover, one of the cases of appellate jurisdiction, of which the Supreme Court may not be deprived, refers to litigations in which the constitutionality or validity of any treaty, executive agreement, law, ordinance, or executive order or regulation is in question (37). The rule-making power on pleading practice and procedure, in all courts and admission to the practice of law, with express mention of the integration of the Bar, has been retained (38). The Revised Constitution has likewise transferred administrative supervision over all courts and the personnel thereof, a matter that under the separation of powers doctrine ought not to have been exercised by the Executive under the 1935 Constitution (39). Moreover, while it is the Prime Minister who appoints the Justices of the Supreme Court and judges of inferior courts, the power to discipline them and, by a vote of at least eight members, to order their dismissal, is granted the Supreme Court (40).

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THE Revised Constitution, as worded in accordance with the concept of parliamentarism, yields the implication of the supremacy of the legislative branch, the National Assembly. To repeat, while legislative power is *vested* in a National Assembly (41), the executive power shall merely be exercised by the Prime Minister, assisted by a Cabinet of his choice (42). Moreover, the Charter leaves no doubt as to the President of the Philippines being merely "the symbolic head of state" (43). As previously noted, the Prime Minister, elected by a majority of all the members of the National Assembly from among themselves, is responsible, along with his Cabinet, to the legislative body for the government programme (44). He is thus required, at the beginning of each regular session of the National Assembly, and from time to time thereafter,

to present his programme to the National Assembly and recommend for its consideration such measures as he may deem necessary and proper (45). What is more, there is to be a question-hour once a month or as often as the rules of the National Assembly may provide, during which the Prime Minister, or any Minister, may be required to appear and answer questions and interpellations from any member (46). The National Assembly likewise may withdraw its confidence from the Prime Minister, but only by electing a successor by a majority vote of its members (47). All such powers are intended to assure the dominant role of the legislative body.

If that were all the Constitution provides, then the concentration of powers in the National Assembly, with the Prime Minister clearly in a subordinate position, would leave no doubt as to the secondary role of the Prime Minister. If note be taken however of other provisions in the Constitution, then perhaps a feeling of certitude on the matter will not be fully warranted. For, in the very same section that recognizes the prerogative of the National assembly to withdraw its confidence from the Prime Minister, the countervailing power is given the latter to advise the President in writing to dissolve the former, whenever the need arises, for a popular vote of confidence on fundamental issues (48). Nor is this all. The Prime Minister is, in legal contemplation, an agent, with the National Assembly the principal, but every bill passed by the latter shall, before it becomes a law, be presented to him for his approval, with the veto power exercised by the President (under the old constitution) likewise granted him (49). Such veto power likewise extends to any item or items in an appropriation, revenue or tariff bill (50). It is he also, as was the case with the President under the 1935 Constitution, who submits to the National Assembly a budget of receipts and of expenditures as the basis of the General Appropriations Bill (51). The Revised Constitution moreover has conferred on the Prime Minister the powers formerly lodged in the President of the Philippines. Thus, he has control of all ministries (52), and is the commander-in-chief of all the armed forces of the Philippines, with power under the circumstances therein mentioned to suspend the privilege of the writ of *habeas corpus* or place the Philippines, or any part thereof, under martial law (53). He appoints the heads of bureaux and offices, the officers of the armed forces of the Philippines from the rank of brigadier general or commodore as well as other officers (54), grants reprieves, commutations and pardons as well as remits fines and forfeitures, including in such grant of authority the competence to proclaim an amnesty with the concurrence of the National Assembly (55). The Prime Minister is vested with a competence the President under the 1935 Constitution did not possess. He may contract and guarantee foreign and domestic loans on behalf of the Republic (56). Also, like the President, he can be authorized by law for a limited period and subject to such restrictions prescribed by the National Assembly to exercise powers necessary and proper to carry out a declared national policy as well as to fix, within specified limits and subject to such limitations and restrictions as may be imposed by the National Assembly, tariff rates, import and export quotas, tonnage and wharfage dues, and other duties or imposts (57).

The potentialities for a strong leadership by a Prime Minister, conscious of the equally prominent role thrust upon him by the Revised Constitution, exist. There is nothing improper, much less illegal, in this dignitary likewise exercising a check on what otherwise could have been the well-nigh plenary authority of the National Assembly in a parliamentary system.

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IF what has been written may not be considered as suffering from inaccuracy, it does follow that the new Philippine Constitution is far from being a radical innovation. As to rights, what has been continues to be. There is, and it is a cause for gratification, more stress on the government living up fully to its responsibility to attend to the welfare of the poor and the needy. Moreover, its structure, while apparently transformed into a parliamentary system, retains enough of what was in existence before to make clear that the tradition of a strong chief executive has been adhered to, except that we refer to him now as Prime Minister instead of President. As a counterpoise, a judiciary that can assert its independence, is again in evidence. Hence, the appropriateness of one of the characterizations of the Revised Constitution as progress through stability.

Notes and References

1. *Philippine Reports,* Vol. 63, pp. 139, 156 (1936) (63 Phil. 139, 156 (1936)).

2. J. Laurel, concurring in Ang Tibay v. Court, cited in Antamok Goldfields Mining Co. v. Court of Industrial Relations, 70 Phil. 340 (1940).

3. McIver, quoted in Read, Editor, *The Constitution Reconsidered* (1938) p. 51.

4. Moreover, in Imbong v. Commission on Elections (Comelec), L-32432, 11 September 1970, 35 SCRA 28, the prohibition against a candidate for delegate representing or holding himself out as belonging to any political party and barring political parties, political groups, political committees as well as civic, religious, professional or other organizations, was sustained by a divided Court. It was felt in certain quarters that there would be fewer candidates qualified by training and experience for the position of delegates than would otherwise have been the case.

5. See, Ferdinand E. Marcos, *Today's Revolution: Democracy* (1971).

6. See, Wolf-Philips, *Constitution of Modern States* (1968), pp. 12-13.

7. Even in the 1946 Constitution, it has been pointed out by Professor Freeman, General de Gaulle, having been responsible for the liberation of France, influenced greatly the nature and scope of the provisions, Freeman, "New Constitutions of Europe, Asia and South America", *Cornell Law Quarterly,* Vol. 34, No. 1 (1948).

8. See Beard, *An Economic Interpretation of the Constitution* (1913); Lenhoff, "The German (Bonn) Constitution", *Tulane Law Review,* Vol. 34, No. 1 (1949).

9. According to Article 11, Section 5 of the 1935 Constitution: "The promotion of social justice to insure the well-being and economic security of all the people should be the concern of the State".

10. See Calalang v. Williams, 70 Phil. 726 (1940).

11. See del Rosario v. los Santos, L-20589, 21 March 1968, 22 SCRA 1196.

12. Art. 11, Sec. 6.

13. Art. 11, Sec. 7.

14. Ferdinand E. Marcos, *Notes on the New Society of the Philippines* (1973), pp. 29-30.

15. Art. 111 of the 1935 Constitution and now Art. IV of the Revised Constitution.

16. According to Art. IV, Sec. 6 of the Revised Constitution: "The right of the people to information on matters of public concern shall be recognized. Access to official records, and to documents and to papers pertaining to official acts, transactions, or decisions, shall be afforded the citizen subject to such limitations as may be provided by law".

17. According to Art. IV, Sec. 16 of the Revised Constitution: "All persons shall have the right to a speedy disposition of their cases before all judicial, quasi-judicial, or administrative bodies".

18. See, Everson v. Board of Education, 330 US 1,31 (1947), Rutledge, J., diss.

19. See note 16.

20. 80 Phil. 383.

21. See Fernando, *The Bill of Rights* (1970), pp. 133-134.

22. Alalayan v. National Power Corporation, L-24396, 29 July 1968, 24 SCRA 172. The opinion was written by the author.

23. Edu v. Ericta, L-32096, 24 October 1970, 35 SCRA 481, 491-492. The author again spoke for the Court.

24. As to social justice, according to Art. II, Sec. 5: "The promotion of social justice to insure the well-being and economic security of all the people should be the concern of the State".

25. As to protection of labour, according to Art. XIV, Sec. 6: "The State shall afford protection to labor, especially to working women and minors, and shall regulate the relations between landowners and tenants, and between labor and capital in industry and agriculture. The State may provide for compulsory arbitration".

26. See, Romualdez-Marcos, *The Compassionate Society* (1973) pp. 1-8.

27. 63 Phil. 139, 156.

28. According to Art. VIII, Sec. 1 of the Revised Constitution: "The Legislative power shall be vested in a National Assembly".

29. According to the first sentence of Art. IX, Sec. 1 of the Revised Constitution: "The Executive power shall be exercised by the Prime Minister with the assistance of the Cabinet".

30. According to Art. IX, Sec. 3 of the Revised Constitution: "The Prime Minister shall be elected by a majority of all the Members of the National Assembly from among themselves".

31. According to Art. IX, Sec. 4 of the Revised Constitution: "The Prime Minister shall appoint the Members of the Cabinet who shall be the heads of ministries, at least a majority of whom shall come from the National Assembly. Members of the Cabinet may be removed at the discretion of the Prime Minister".

32. Art. X, Sec. 1 of the Revised Constitution reads as follows: "The judicial power shall be vested in one Supreme Court and in such inferior courts as may be established by law. The National Assembly shall have the power to define, prescribe, and apportion the jurisdiction of the various courts, but may not deprive the Supreme Court of its jurisdiction over cases enumerated in Section five hereof." Sec. 5 of the same article, insofar as applicable, is worded thus: "(1) Exercise original jurisdiction over cases affecting ambassadors, other public ministers, and consuls, and over petitions for *certiorari*, prohibition *mandamus*, *quo warranto*, and *habeas corpus*. (2) Review and revise, reverse, modify, or affirm on appeal or *certiorari*, as the law or the Rules of Court may provide, final judgments and decrees of inferior courts in (a) All cases in which the constitutionality or validity of any treaty, executive agreement, law, ordinance, or executive order or regulation is in question. (b) All cases involving the legality of any tax, impost, assessment, or toll, or any penalty imposed in relation thereto. (c) All cases in which the jurisdiction of any inferior court is in issue. (d) All criminal cases in which the penalty imposed is death or life imprisonment. (e) All cases in which only an error or question of law is involved."

33. See Art. III, Sec. 3, par. 2 of the Revised Constitution.

34. See Art. X, Sec. 10 of the Revised Constitution.

35. See Art. X, Sec. 12 of the Revised Constitution.

36. Art. X, Sec. 2, par. 2 of the Revised Constitution, insofar as pertinent, reads as follows: "All cases involving the constitutionality of a treaty, executive agreement, or law shall be heard and decided by the Supreme Court *en banc*, and no treaty, executive agreement, or law may be declared unconstitutional without the concurrence of at least ten Members."

37. Art. X, Sec. 5, par. 2(a) of the Revised Constitution reads thus: "All cases in which the constitutionality or validity of any treaty, executive agreement, law, ordinance, or executive order or regulation is in question."

38. See Art. X, Sec. 5, par. 5 of the Revised Constitution.

39. The same Art., Sec. 6 of the Revised Constitution reads as follows: "The Supreme Court shall have administrative supervision over all courts and the personnel thereof."

40. The same Art., Sec. 7 of the Revised Constitution, insofar as pertinent, reads thus: "The Supreme Court shall have the power to discipline judges of inferior courts and, by a vote of at least eight Members, order their dismissal."

41. See Note 28.

42. According to Art. IX, Sec. 1 of the Revised Constitution: "The Executive power shall be exercised by the Prime Minister with the assistance of the Cabinet. The Cabinet, headed by the Prime Minister, shall consist of the heads of ministries as provided by law. The Prime Minister shall be the head of the Government."

43. According to Art. VII, Sec. 1 of the Revised Constitution: "The President of the Philippines shall be the symbolic head of state."

44. This is in accordance with Art. IX, Secs. 2 and 3 of the Revised Constitution.

45. So it is according to Art. IX, Sec. 10 of the Revised Constitution.

46. See Art. VIII, Sec. 12, par. 1 of the Revised Constitution.

47. So Art. VIII, Sec. 13, par. 1 of the Revised Constitution provides.

48. According to Art. VIII, Sec. 13, par. 2 of the Revised Constitution: "The Prime Minister may advise the President in writing to dissolve the National Assembly whenever the need arises for a popular vote of confidence on fundamental issues, but not on a matter involving his own personal integrity. Whereupon, the President shall dissolve the National Assembly not earlier than five days nor later than ten days from his receipt of the advice, and call for an election on a date set by the Prime Minister which shall not be earlier than forty-five days nor later than sixty days from the date of such dissolution. However, no dissolution of the National Assembly shall take place within nine months immediately preceding a regular election or within nine months immediately following any general election."

49. See Art. VIII, Sec. 20, par. 1 of the Revised Constitution.

50. See Art. VIII, Sec. 20, par. 2 of the Revised Constitution.

51. According to Art. VIII, Sec. 16, par. 1 of the Revised Constitution.

52. According to Art. IX, Sec. 11 of the Revised Constitution: "The Prime Minister shall have control of all ministries."

53. See Art. IX, Sec. 12 of the Revised Constitution.

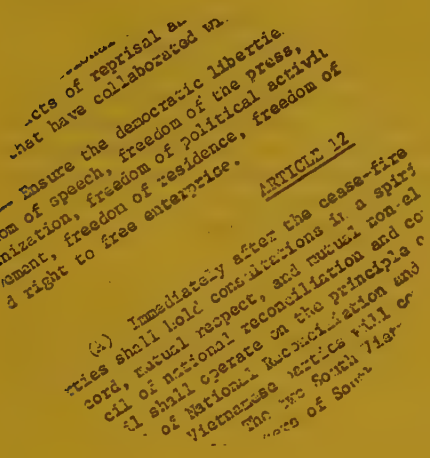
54. See Art. IX, Sec. 13 of the Revised Constitution.

55. See Art. IX, Sec. 14 of the Revised Constitution.

56. According to Art. IX, Sec. 15 of the Revised Constitution: "The Prime Minister may contract and guarantee foreign and domestic loans on behalf of the Republic of the Philippines, subject to such limitations as may be provided by law."

57. See Art. VIII, See. 17, par. 2 of the Revised Constitution.

VIETNAM: Despite their manifest failure to bring peace to Vietnam, the January 1973 agreements may have set in motion a process promising to turn the Vietnam conflict from a military into a political struggle. The author argues in this article — which appeared in outline in "Christian Science Monitor" on 22 January — that the United States could help by normalizing relations with North Vietnam, for example by offering unconditional economic assistance to all areas affected by the war.



On Making the Vietnam Agreements work

Allan E. Goodman

THE Kissinger-Tho agreements "on ending the war and restoring peace in Vietnam" were one year old on 24 January. Neither goal has been realized. The ceasefire has been, in fact, a less-fire and the South Vietnamese have taken no steps toward political accommodation.

Both sides claim there have been more than 300,000 ceasefire violations with at least 117,000 fatalities in their wake. In an effort to grab as much territory as possible, to demonstrate control --however nominal -- before the ceasefire deadline, and to await the Joint Commission's legitimation of possession, at least 12,000 cease-fire violations by the Government of South Vietnam (GVN) and the Provisional Revolutionary Government (PRG-Viet Cong) were related to this phase of the struggle. Only the rainy season produced a lull in military activity.

During this period, the PRG shifted tactics: starting with a renewed emphasis on a mild form of terrorism, the armed propaganda team, they adopted a "united front" stand in April that stressed working with and, if possible, co-opting opponents of the Thieu government. By early autumn, however, PRG tactics again stressed combat. This surfaced in late September with a North Vietnamese attack on Le Minh, a base of little strategic value in the Central Highlands. High casualties were inflicted to one of the best units of the South Vietnamese Army (ARVN).

In January the base was retaken from only a token resistance force. In December, another raid destroyed most of a Shell Oil facility 13 kilometres from Saigon. The processing capability lost will mean an estimated 30 per cent less fuel for civilian purposes. And, in the largest battle since the cease-fire, a district capital in strategic Quang Duc province fell to an assault of 20 North Vietnamese tanks and nearly 10,000 troops. A week later, it was retaken but the GVN had to "destroy it in order to save it."

Analysts are divided over the significance of such attacks. Some predict they signal Communist plans for an all-out offensive. Others, whose judgment has been confirmed at least for the present, see the attacks as part of a new tactic of "strategic raids": "political violence (aimed at) pushing back the enemy step by step and winning victory bit by bit". Designed to disrupt the economy and Saigon's efforts to feed its population, to prevent the appearance of a return to normalcy, and to weaken the morale of the ARVN by inflicting high casualties, this strategy, analysts say, will govern PRG activities for the current (1973-74) dry season while the viability of the Saigon government is assessed. In employing this tactic, the Communists acknowledge that "the Americans still cling obdurately to their basic scheme of maintaining neocolonialism in South Vietnam. They still have a strong potential in South Vietnam where they had created a lackey army which is now sizeable and lackey government which is comparatively more stable and better organized from the central to the village and hamlet levels than the army and government which existed at the beginning of the Diem period."

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INFILTRATION has continued unabated. U.S. estimates placed the number of new Communist troops in the South at 70,000; 400 tanks are said to have arrived along with 200 pieces of heavy artillery. There are now 12 operational airfields and two reportedly are defended by SAM-2 installations.

The Communists have charged that U.S. violations of the January agreement--which provides that "the acceptance of military aid by South Vietnam in the future shall come under the authority of the government set up after the general elections" -- include the shipment of 500 aircraft to the GVN as well as 600 tanks and armoured cars, 200 naval combat vessels, 600 pieces of heavy artillery, and 500,000 tons of ordnance.

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FOR its part, Saigon has for the first time in years appeared to recognize the importance of the political dimension of the struggle. The Communist propaganda effort was matched by GVN soldiers and cadets who travelled widely to explain the meaning of the agreements to the rural population. This was coupled to administrative changes decentralizing ministerial control over local government. Carefully controlled and orchestrated to be sure, Thieu launched his own united front political organization. This was the first time he had demonstrated anything but disdain for civilian politics. In October, a "loyal opposition" party was introduced, the An Quang Buddhists established a formal link to their representatives in the National Assembly, and a number of political prisoners were released. Estimates of the total number of political prisoners, however, range as high as 200,000; the GVN acknowledges only 5,081 and claims that Hanoi and the PRG hold 68,000 South Vietnamese civilians and government officials.*

By the end of 1973 the cabinet had been reshuffled in an effort to bolster confidence in the flagging economy. Recovery is estimated to take eight years and to cost $4,000 million. Currently, inflation has been staggering: rice costs 75 per cent more than a year ago, sugar is up 170 per cent, and fuel is up 115 per cent . Nearly everything else costs at least 50 per cent more than it did when peace was at hand. With a third of South Vietnam's work force in the unproductive service sector, its economy deprived of the more than $300 million spent annually by U.S. troops, facing systematic attack by the PRG which is accentuating current commodity shortages, its foreign exchange reserves perilously low, and its national budget financed in equal amount by foreign aid, government revenues, and pure deficit, the long-predicted political collapse of Saigon may materialize if the economy does not recover. Nonetheless, analysts in Saigon tend to agree that Thieu is turning his attention and skill to stabilizing politics and mobilizing the support for the government it has for so long lacked.

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DEVELOPMENTS stemming directly from the Kissinger-Tho agreements have not been encourraging. The meetings of the Joint Military Commission have been used solely for propaganda purposes. The quieter talks between the "two South Vietnamese parties" at La Celle Saint Cloud remain stymied over the GVN's demand that the Communists demobilize and withdraw and the PRG's insistence on strict observation of Article 11 of the January agreement assuring democratic liberties for all dissidents and guaranteeing no reprisals against PRG supporters. At the heart of the deadlock lies the issue of accommodation; i.e., the extent to which each side is prepared to coexist with the other, to recognize the areal control each has consistently maintained (in some cases for decades), and to see in a process of political competition the chance to achieve what in the war was denied. On this issue, the GVN has been adamant. As President Thieu observed on 28 December last year in a speech to the national Training Centre at Vung Tau: "The Liberation Front can solve nothing. Hanoi has not renounced its dream of invading and annexing the South. There can be no general elections and no political solution because the Liberation Front is only a tool of Hanoi and has turned down all of our construction proposals".

The International Conference on Vietnam ended in March 1973 with tacit agreement among the 12 participants that little could be done to guarantee peace in Indo-China if the parties to the conflict did not want peace themselves.

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DESPITE all they have not achieved, however, the Kissinger-Tho agreements may have set in motion a process that still holds out promise of transforming the conflict from a military into a political one. In their first phase (January to June), the negotiations concentrated on *limiting* intervention in the South. This should not be equated with ending intervention or ceasing infiltration or re-supply efforts. If such a perspective were maintained, the parties could be moving toward normalizing relationships between adversaries. Perhaps this was part of the agenda for the Kissinger-Tho meeting on 20 December 1973. Such normalization depends, as Henry Kissinger reportedly thinks, on providing the parties with incentives for honouring the agreements. Such incentives are not, moreover, in short supply.

There is much, for example, that the U.S. could do to normalize its relations with Hanoi. The most obvious course, and one Hanoi has long pressured Washington to take, would be to change the beneficiary of American support in the South. This course would now involve demonstrating U.S. interest in and support for those political, military, and religious forces that oppose Thieu and favour political accommodation with the Communists. The likelihood of the U.S. being permitted to do this, however, is now very slim given it's inability to influence the Thieu regime and its record of ineffectual support to such forces when previously it found it in the U.S. interest to support them.

Greater prospects for success are associated with immediately de-coupling the U.S. offer of post-war assistance

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EDITORIAL NOTE:

**On 8 February South Vietnam and the Viet-Cong resumed exchange of prisoners after a six months suspension. Over the following three weeks about 4,000 military and civilian captives were released by both sides in a phased exchange under international supervision at designated release-points (initially the Communist-controlled towns of Loc Ninh and Duc Nghiep). This break-through in the implementation of the Paris Agreements came after two months of negotiations in the Joint (GVN/PRG) Military Commission. REUTERS reported on 2 February that according to official figures, before the recent exchange South Vietnam had held 3,567 Viet-Cong civilian and military prisoners and the Viet-Cong held 634 South Vietnamese civilian and military personnel.*

for the reconstruction and development of North Vietnam from the level of North Vietnamese military activity. Instead of saying that the U.S. will provide North Vietnam with the residue from the costs ($2,700 million out of $3,500 million appropriated for Indo-China for fiscal year 1974) of military assistance and a continued U.S. presence, the U.S. could set aside funds for reconstruction and development under the administration of an international agency. This was proposed by Edward Kennedy in 1972, approved by the Senate in an amendment to an ill-fated foreign assistance act, and thereafter, was dropped. The current foreign aid bill--the first in two years--includes U.S. $504 million for reconstruction in South Vietnam, Laos, and Cambodia. But the authorization specifically prohibits aid to North Vietnam: as one Congressman -- Wayne Hays of Ohio, the author of the Fulbright-Hays programme--quipped: "Hell would be a skating rink before I voted aid for North Vietnam." Such intransigence does little to convince Hanoi of U.S. sincerity in redeeming its pledge of post-war assistance (contained in Article 21 of the January agreement) and prolongs the same type of aid and military assistance programmes in force while the war was raging. A Congressional initiative now should propose a schedule for ending American military assistance paralleled by a development programme for all areas and populations who have suffered from the war. Such a shift in U.S. aid policy might also promise the phased reduction of the 8100 American personnel serving the GVN under contracts financed by the Department of Defense.

These unilateral actions would help to make the U.S. pledge to implement the Kissinger-Tho agreements more credible to the leadership in Hanoi, giving them the chance to evaluate their own position. Such initiatives, if they led to normalizing relations between Washington and Hanoi, might also stimulate a similar development between the GVN and the PRG. The negotiations could then move to a phase concerned with creating a process to transform the conflict from a military into a political struggle.

While the Vietnam agreements may not end the internal conflict, therefore, they still can end the internal war. Making the agreements work depends on each party seeing that through political struggle it can achieve what it could not through war.

SINGAPORE: Since assuming power in 1959, the Singapore Government has employed a strategy of using grass-roots institutions to channel popular participation and involve all Singaporeans in building a nation from a heterogeneous settler-society. The pre-existing Community Centres have been the major focus of this institutional effort, and have proved uniquely effective channels for a two-way communication between Government and people.

"Development Communication": The role of Singapore's Community centres

R.O. Daniel

THE community centre network in Singapore has been described as one of the many pillars which hold up the Republic's democratic society. There are over 185 community centres located throughout the island today, under the jurisdiction of the People's Association, which was set up in 1960 to co-ordinate the activities of the various centres and provide guidelines for general development.

The centres, originally established in the early' fifties to cater for recreational needs, were for a long time made use of only by the English-educated minority, who found them convenient as meeting places for sports and other activities. The transformation of the centres, after 1959, from mere recreational areas to their present relevance as vital community components and agents of social change stemmed wholly from the Government's realization of the need to activate a genuine nationalism and allow the concepts and regimens of democracy to percolate down to grass roots.

The community centre network has to-date proved to be a powerful catalyst in Singapore's successful evolution of nationhood and social, political and economic progress over the past decade; in pursuing its policy of democratic socialism, the Government has laid full emphasis on the centres' goals and programmes of action, conscious that here was the effective means of initiating, maintaining and continually improving "communication" with the people.

"Communication" is, or should be a key word in the vocabulary of development in newly emergent nations. With it, most things can be made possible but without it, many things will remain practically impossible. The leaders of Singapore understood at the very outset that unless the Government in a newly independent developing State could communicate with the people, unless the people themselves could communicate with one another, there could be neither effective nationalism nor real development and progress. The political leadership astutely foresaw that a well-planned, wide-ranging and strategic system of community centres, run with the active day-to-day help of the people, could weld together the diverse elements of Singapore's heterogeneous population and effectively set in motion the dynamics of development communication.

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INDEPENDENCE for Singapore was achieved in a short period of time, compared with the experiences of other countries. Modern Singapore originated as a trading-centre for migrants who had left their own countries to seek their fortunes and there was little in the country's historical background to prepare it for its new role of independent nationalism. That Singapore was a colony of migrants meant the absence of any large-scale nationalism or urge for independence. The prevailing sentiments were anti-colonial rather than pro-national.

The stirrings of a nascent nationalism were first evident in the minority ranks of the English-educated, who led the country to independence. There was little ferment as in other countries that had enjoyed a measure of independence before coming under the subjugation of foreign Powers. As the attainment of independence called for an immediate dialogue with the electorate, which had grown from 22,000 in 1948 to over 555,000 in 1959, a conscious effort was made by the new men in power to avoid the kind of gap that so often existed between the government and the governed in so many stratified societies. They acknowledged that unless they carried the people with them there would be a break-down, as had happened in some countries liberated by earnest, dedicated Western-educated liberals who often failed to realize that they had to keep in touch with the people on whose behalf they were acting.

Independence stimulated so many aspirations which could not be achieved overnight, but with the support of the people, a country could go far. The crux of the problem was reorientation of attitude: Singapore had now become

an independent nation, with the right to chart its own destiny and bear the attendant responsibilities of having to plan and implement the necessary action. In addition, the problem of uniting the people was a complex one, for the country is basically heterogeneous, an amalgam of different races, languages, cultures and religions. Of a total population of over 2.1 million, over 76 per cent are Chinese, 15 per cent Malays, 7 per cent Indians, Pakistanis and Sri Lankanese and the remainder other races. Local religions include Confucianism, Taoism, Hinduism, Islam and Christianity.

In the past, most associations of people grew up on the basis of race, village, clan or religion. Such groups were parochial and inward-looking, concentrating on narrow group interests linking people with their birth-place instead of the larger national concerns of the country which they had now adopted as their home. The intermingling of people at the community centres, which brought all these diverse groups under a common roof, has helped pinpoint the fact that national interests exist and have to take precedence over all else.

The community centres became the focus of activities planned from a national standpoint. The various programmes were geared to meet the new requirements and were mapped out after careful sociological and political inquiry. The centres became an integral component of national development and formed part of the overall mosaic of effort aimed at developing a definitive national identity.

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THE backbone of each community centre is the Management Committee, supplemented by the Women's Sub-Committee and the Youth Sub-Committee. The Management Committees are composed of representatives from the various localities and groups and reflect in miniature the cohesion and co-operation of Singapore's multi-racial society. Their members patiently and painstakingly seek the views of the constituents, their problems, difficulties and visions of the future. Their findings are recorded and transmitted to the Government, which is thus made more aware of the people's aspirations. In this way, the community centres act as clearing houses for an exchange of ideas and attitudes and as forums for public opinion.

Since community centres are distributed evenly throughout the island, the Government is able to assess continually the opinions and reactions of the people as a whole. Thus, government policies are constantly being made with the wishes of the people in mind and care is taken that State action is adequately explained to the citizens. In acting as miniature Parliaments, the centres also ensure that minor problems and grievances are settled and resolved before they escalate into areas of major conflict.

The involvement of the community, psychologically and physically in community activities organized at the centres, is the prime factor in improving response to the Government's many national campaigns. Important projects, such as the "Clean and Green Singapore" campaign, the recruitment and operation of the voluntary Vigilante Corps and the People's Defence Force have all been facilitated by the community centres. Sports, concerts, art exhibitions, National Service send-off parties, National Day celebration dinners, community "walkathons", youth camp fires, historical pageants, fancy-dress parades and educational lectures are some of the many living examples of active and meaningful community involvement at the centres.

The different cultural and ethnic groups, through their participation in these activities, learn to appreciate one another's backgrounds, values and norms, exchange ideas and attitudes. This strengthens the fabric of Singapore's multi-racial society. The problems posed by a rapidly urbanizing and industrializing society are ameliorated at the centres, where people learn the new approaches of life required of them. The shifting patterns of population resulting from urbanization entail new problems and requirements. Community centres, built for the new communities of neighbours in modern satellite towns and locations, serve as a focus of activity and a rallying point of unity.

The Women's Sub-Committees provide impetus to many new features in the pattern of community activities. More vocational courses of general interest to women, including handicraft, cookery and dress-making, are organized. Other activities organized by the women's committees include topical debates, seminars, talks and exhibitions. Whatever the specific activities, the principal objective is always to stimulate the active participation of women in community centre activities and help broaden, in the long run, their whole social outlook and degree of community awareness and responsibility. National campaigns held under the aegis of women's activities at the community centres included a Family Planning Campaign, conducted at the major centres by the Singapore Family Planning and Population Board and the Ministry of Health.

The Youth Sub-Committees aim at forestalling the undesirable ills of modern living, especially the drug menace. Since more than 50 per cent of Singapore's population are below the age of 21, the importance of youth activities cannot be over-emphasized. A strong youth movement at the community centres helps develop widespread leadership potential and a sense of solidarity among Singapore's young citizens. Relevance is the keynote of the concept of the Youth Sub-Committees, and activities organized under their banner are geared both to the needs of young people and the nation as a whole.

Kindergarten classes at the community centres help social integration at an early age. The availability of such pre-school education at nominal rates also helps to eliminate inherent disparities of background when children start school. The many creches run at the centres are a boon to the Republic's working mothers.

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THE success of the work undertaken by the community centres has attracted the services of a growing number of professionals who are finding many avenues of relevant involvement in community work in varied fields. These professionals are helping to play a

"leavening" role in the community, getting down to grass-roots participation and commitment. There is an increasing number of people with tertiary education joining the management committees as well as the women and youth sub-committees, which together provide the bulk of the voluntary workers at the centres. A special Community Extension Service Scheme was therefore launched recently, aimed at making the community centres "educational centres". Under this scheme, professionals from both the public and private sectors give talks on a wide range of topics of social and national significance.

Recommendations to renew existing facilities and amenities in the centres are systematically made by a Development Committee. A Research/Data Section facilitates in-depth inquiry and general evaluation of programmes and activities. Comprehensive research into the development of youth work in Singapore has helped, for example, in the shaping of various new youth programmes. The community centres are, therefore, growing institutions which are constantly evolving new and different features to meet the changing needs and situations of this young, developing Republic.

Construction projects to serve the ever-increasing demands of the community have been well-matched by the efforts of community leaders. In fact, the community centres have become symbols of pride in the various constituencies, and their development and shape reflect to a certain extent the ideals and objectives of the various groups of residents. With new emphasis on self-reliance, as opposed to the principle of merely asking and receiving, the pattern emerging today is one of robust community self-determinism. More and more community centre committees are independently raising the funds to finance their centres.

The growing popularity of the concept of self-help is based on the realization that the community and ultimately the individual can only get out of an institution what they themselves put in. The fact that in a country like Singapore, which has no natural resources, it is only the human effort that can provide benefits to the community at large is driven home forcibly. The principle of self-help exemplified at grass-roots level reflects the attitude of mind stressed at national level. This approach is of cardinal importance to a people who less than two decades ago regarded the Government as apart and alien: where it was "we the people, they the Government" before, it is now "we the people, we the Government". This new sense of identification finds expression in the whole concept and pattern of the remodelled, new-style community centres.

Under new development plans, 63 community centres have been earmarked for radical improvement. The current "showpiece" is a re-styled three-storey S$300,000 community centre, opened recently by Mr Lee Kuan Yew, the Prime Minister. The centre has been called a "striking demonstration of real democracy", pointing the way ahead to what is needed as Singapore becomes more urbanized, more affluent and more sophisticated. This centre, which represents a revolution in community centre design and fittings, also offers community recreation with a difference. It has several up-to-date new facilities, including an air-conditioned study-cum-library. Film and criticism sessions, art, gymnastics and courses in electronics and radio are new activities planned for the centre.

The trend for more community centres to offer the community what it really needs is becoming evident on a widening scale. A family counselling and educational guidance service was launched last year, for example, at one centre, while many others have made their premises available for drug counselling services.

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THE practical utility of the centres as a valuable communication channel was demonstrated recently when Singapore suffered a shortage of rice, with consequent price inflation. Bulk-bargaining and retailing at the centres, with the aid of volunteer workers, helped partially resolve the problem. The availability of this kind of community "machinery" not only acted as a deterrent to profiteering but also brought the residents together in closer contact and highlighted the value of co-operative endeavour.

Another example of community action occurred during the difficult time of the Indonesian Confrontation (1964-66), when the centres helped mobilize the voluntary Vigilante Corps. The Vigilante Corps, although it originated as a security force, was kept on after Confrontation was over, with a subsequent widening of scope, for it brought together different strands of society and more important still, generated a sense of civic responsibility. The Vigilante Corps narrows the communication gap between the different social and economic levels of Singapore's citizenry and is now a significant force for community discipline and cohesion.

Whatever it is that is the current community need, whether it is a campaign to save water or eat more wheat or a project to organize a National Day parade, it is the various community centres that help get the message across and see that things get done. The constant intermingling that takes place at the centres also acts as a very effective factor in precipitating the whole process of social change, so necessary for national survival and progress.

The need for such change becomes immediately evident when people from different social and racial groups come across one another in the close proximity of the neighbourhood's community centres. Unnecessary social inhibitions, regressive traditions and outmoded patterns of living and working are all called in question and the stage set for life in a modern industrializing society. It is by association with others that people come to realize the need for change (and change is at the heart of every community centre plan and project). Areas of conflict and disagreement lessen in direct proportion to the degree of social interaction. The need for such interaction is paramount because people from different backgrounds tend to interpret ideas and events in widely differing ways.

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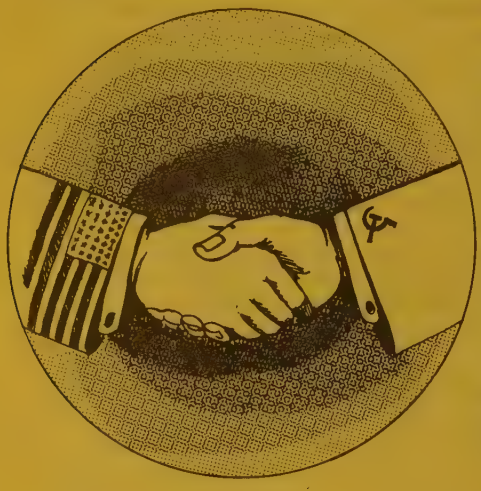
THE educative role of the community centres is in fact its chief "development communication" function —wherever the people gather, the Government is there with them to help spread the right kind of positive ideas in the right direction. The speeches made by government leaders and Members of Parliament at various community centre functions are an important pipeline of development

communication. What they say and how they achieve contact with the people there are of vital importance in creating, maintaining and improving the quality of "communication" in the nation and stepping up the pace of development. In assessing the reactions of the people at the centres, the Government also has a ready-made channel of counter-information with which to test the effectiveness of government policies and statements.

All in all, Singapore's community centres, by making possible that strong two-way dialogue and rapport between the Government and the people so essential to a healthy democracy, contribute to the creation of a purposeful multi-racial nationalism. The centres complement the traditional function of government information services which normally offer thought-lines and emotive sentiment. Community centre programmes help translate thoughts and sentiments into action by involving and activating the people as a whole. The centres have helped resolve the human factor in development communication by motivating the citizens and helping to eliminate the social and cultural obstacles between plan and plan-implementation.

Singapore's economic and social stability, which contributed to its rapid progress and transition from an entrepot economy to a fast industrializing one, is due in large measure to the presence of this kind of communication. It is the means by which the Government can feel the pulse of the nation and acquire valuable feed-back as to the effectiveness of its various policies and active measures, as well as an opportunity for the people to tune in on the Government that is acting in their name.

DIPLOMACY: The U.S. Secretary of State, Dr. Kissinger's, lightning visits to Moscow, Peking, Jerusalem and Cairo in the wake of the 1973 Middle East War are indicative of a new era in international diplomacy, this article argues. Direct negotiations will be a permanent feature of the new world of multi-polarity and detente, where self-interest and expediency are the guiding principles. Long-term treaty commitments will be replaced by flexible, continuously negotiable arrangements to meet ever-changing situations. And economic sanctions, not war, will be the continuation of diplomacy by other means.



The New Diplomacy– its Political and Economic effects

Leonard Rayner

THE events of the last few months confirm that the Cold War is over and that the Big Powers of the world, both Communist and non-Communist, have given up all pretence at linking foreign policies to ideology and now blatantly follow their own "national interests." Russia and China have long abandoned the claim that Communism creates a common bond between nations. The Arab oil crisis has revealed that the "special relationship" between the democratic powers of the U.S.A. and Western Europe has worn thin. International affairs are in a chaotic state, to the despair of the trader to understand or the politician to improve. More than ever each now depends on the other for any change in the situation. At the same time the smaller nations struggle for survival in an increasingly hostile world where more and more they must fend for themselves.

In the classic 1815 case of political settlements at the Congress of Vienna, small nations were fitted into the pattern drawn by the self-interest of the Big Powers. Today the tendency is almost to discount the smaller nations. In the new international climate, small nations find they are of little political account and are left to their own devices to find salvation. The U.S.A., disenchanted by its experience in Vietnam, is washing its hands of South-East Asia, hoping that Japan may be able to assume a more positive role in the area and that Indonesia may ultimately emerge as an effective leader. The last vestige of paternalistic Victorian morality has been discarded at the international council tables in favour of expediency. The solutions to the problems that these new conditions create are vital to the small countries of South-East Asia who are vulnerable to the not always welcome activities of America, Russia and China.

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PRESIDENT Nixon's *rapport* with Moscow and Peking, German Chancellor Willy Brandt's *Ostpolitik* and Saudi Arabian King Feisal's oil embargo are manifestations of a new type of international relations that may make existing diplomatic precedents obsolete. Although the Press has created an image that this is the era of Kissinger diplomacy, the U.S. Secretary of State is not the creator but rather an adept practitioner operating under conditions that make his methods highly effective. Old concepts of collective security are dying and are being replaced by schemes requiring constant political and economic manoevring. Formal engagements are obsolete almost as soon as they are signed, giving way to a continuous dialogue between the contracting parties. While existing pacts are not disappearing overnight, most of them have not fulfilled their main purpose. It is obvious that international treaties as we know them will be replaced or at least undergo major changes. These changes will have far-reaching economic as well as political effects.

In December 1973 an American Congressional Committee, reporting its findings on the October Middle East War said that the North Atlantic Treaty Organization (NATO) was ineffective as a political unit and that the political support for the Alliance from countries in Western Europe had, over the years, slowly evaporated. The Americans had hoped that the threat posed by the war and the possibility of Russian intervention would have revitalized the Organization, especially after the Arab decision to cut the supply of oil to Western countries. The report went on: "The Super Power game, according to the West Europeans, was being played in the name of NATO but without either the geographical mandate or the use of its consultative mechanism. The result was that when the United States pushed the NATO button, nothing happened. The machine failed to start and each side (the US and Europe) blamed the other for the malfunction." The Warsaw Pact countries are in no better case. The deterioration of Moscow/Peking ties and the police actions by Russia against Hungary and Czechoslovakia show that selfish nationalist interests transcend the bonds of Communist brotherhood.

Early in December 1973 the Soviet Ambassador to

Singapore Boris Bezrukavnikov publicly stated that the South-East Asia Treaty Organization (SEATO), the Asian and Pacific Council (ASPAC) and the Central Treaty Organization (CENTO) had become political anachronisms but implied that, at their inception as defensive alliances against Communist bloc countries, they had some relevance. Mr. Bezrukavnikov's ability to make this admission indicates the Russians' view that the old type of military alliance is no longer of consequence to them. The Indonesian Government's view is simpler. It feels that formal military pacts are provocations that incite enmity without guaranteeing security. The Indonesians prefer informal understandings with long-term protocols being replaced by continuous dialogue. It seems likely that this will become the general pattern. Dr. Kissinger's ability to visit consecutively Moscow, Peking, Jerusalem and Cairo at the end of the 1973 Middle East War was of far greater practical value than prearranged treaties which have rarely proved flexible enough to meet changing circumstances.

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IN the re-evaluation of the foreign policy making process the application of International Law must be taken into account. The International Court of Justice at the Hague has failed to make any major contribution to world peace because nations generally are reluctant to surrender sovereignty and, like most criminals, countries guilty of international crimes will not voluntarily submit themselves to the court's sanctions. The successful ostracised state is a phenomenon that will have an important bearing on the new diplomacy. South Africa, Portugal and Rhodesia, regularly condemned by the United Nations, continue to prosper and show economic growth-rates that must be the envy of many countries in good international standing. Significantly much of their trade comes from the countries that condemn them most.

There is an interesting comparison between Taiwan and Britain. The former, cast out by the United Nations in 1973 and allegedly rejected by most of the world, saw a trade growth in that year of about 30 per cent and an industrial growth of 23.1 per cent. The United Kingdom obeys the rules, bows to world opinion and appears to be struggling for economic survival. As the fuel crisis pushes Britain to the wall, Taiwan surges ahead with Arab assurances of full supply. (The only Taiwanese concession to oil shortage is to consider making taxis use taxi ranks instead of cruising for custom.) The irony is that to the Israelis, who must decide whether to be good and give up the Arab lands taken in 1967 or be bad and risk the world's ostracism, there appears to be little incentive from the existing precedents to do the right thing. The only incentive for them to compromise for peace is American withdrawal of economic and military aid — not Arab oil embargoes.

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NOT only has the Court failed but the traditional international policemen, the United States, Britain and France have retired from the force. France gave up long ago when de Gaulle ended the Algerian war in the 1950s. She left the military side of NATO in 1966 and never actively supported SEATO. She moved so far the other way that in 1967 she actively armed Israel for the attack on Egypt and immediately the war was over was the loudest in condemning the Israelis. A United Nations embargo on arms supply to a country is almost an open sesame for French arms manufacturers to step in where countries like Britain and the United States will not tread. This amoral approach to foreign relations has also played its part in the breakdown of international discipline. The abdication by the Americans from their police role will, like that of the retiring Hollywood actress, see many final performances. The British had no choice but to relinquish the role. By the mid-1960s economic conditions compelled her to revise her world-wide defence commitments and her 1966 Defence White Paper announced plans to close military bases east of Suez.

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THE role of policeman became obsolescent when minor Powers, such as Egypt and North Vietnam, were able to neutralize the military might of the policemen by manipulation of world opinion and effectively playing one Super Power off against the other. By the end of the 1960s it had become clear that international commerce could no longer rely on political and military power. The oil-producing countries began dictating terms to developed oil-consuming nations. Expropriation of Big Power investments in Third World countries became a basis for negotiations round the table rather than a cause for retaliation.

While Third World countries enjoyed larger financial benefits after getting control of the raw materials within their geographical boundaries, this control did not give them greater political bargaining power. The Arab oil embargo of November 1973 took the process a stage further, turning the control into an effective political weapon. One senior Egyptian official explained how they were applying the weapon. The oil embargo on Japan did not imply that Japan had offended the Arabs more than other countries. The decision was made because Japan was completely dependent on imported oil and much of the world relied on Japanese exports. In the Arab view the embargo on Japan was the quickest and most effective way of making their new political weapon have an impact on the most countries. Stalin's old cynical enquiry of "how many divisions does the Pope have?" can be paraphrased into "how much solidarity can be achieved by Third World primary producer countries?"

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COINCIDENTAL with these events was the growing military awareness that the old concept of collective security, which saw its ultimate development in the creation of NATO, CENTO, SEATO and the Warsaw Pact, was losing its relevance. As early as 1949 U Nu, then Prime Minister of Burma, formulated his country's foreign relations on the premise that treaties were only as good as the selfish interests of each participating member to fulfil his obligations. The past 25 years have produced ample evidence that he was right. Treaties have provid-

ed the image of security without the substance. It was however, an image sufficient to create the illusion that the flag was there and that trade and investment could confidently follow.

Britain's great 19th century imperialist Joseph Chamberlain's view that "trade followed the flat" summarized the generally-held belief that trade and investment could only flourish against a background of political security. Egypt's late President Nasser's successful expropriation of the assets of the Suez Canal Company in 1956 set a post - Second World War pattern that has eroded the security of foreign investments, as former British Prime Minister Anthony Eden predicted that it would, and heralded the dawn of "political risk insurance." The Arab oil embargo last November followed by OPEC's (Organization of Petroleum Exporting Countries) doubling of the price of oil in December have extended the risk to trade because oil is the World's major trading commodity and upon the supply of oil depends the bulk of industrial activity. In the 1960s producer countries dreaded the release of American government stockpile materials that depressed commodity prices. Today these countries may well have the means to reverse the process and have the developed countries at their mercy. Victorian imperialism and its resulting economic injustics are finally being laid to rest — with a vengeance.

The 19th century movement by the European Powers and later the Americans to acquire dependencies in the primary-producing countries of the Third World stemmed from the belief that the mixture of strong political rule and the creation of orderly government (i.e. "the flag") would bring in its wake the opportunities for trade and investment by the paramount power. The view was not universally held. There was always the suspicion that trade was there anyway and that the bayonets merely made it easier and perhaps more profitable. Britain's imperial expansion was opposed by most Gladstonian Liberals, but its Tory protagonists were influenced by British business interests such as those in Singapore and by people like Jardine in Hong Kong. These were short-sighted interests based on quick profit without much thought to morality or long-term consequences.

The Victorian dream of imperial glory was spurred on by the more venal motives of its main advocates. Gladstone saw that such policies held inherent dangers of political rivalry and armed conflict. Treaties that eventually created the Power blocs of the Central Powers and the Entente of the First World War arose in part from Germany's exclusion from the spoils of imperialism and the determination of France and Britain that she should remain so. In the years after the Second World War West Germany's lack of colonies paid dividends. There was no drain on her treasury to support newly independent colonies and provide military protection for them. On the contrary the income she derived from American, British and French forces stationed in her territory made a large contribution to her rapid post-war recovery — but this was only a bonus. Her spectacular economic achievements of the past 28 years were achieved without controlling raw materials in developing countries.

Moreover, the British decision in 1966 to close military bases east of Suez had raised questions of security and stability and whether Britain's extensive investments and trading interests would suffer when she was no longer there to protect them. The final run-down of her bases in Singapore and Malaysia at the end of 1971 has so far produced no significant effect on her trade with South-East Asia, as the following figures show, while the asset value of her investments there has appreciated considerably (in Singapore they have probably more than doubled in value to £600 million between 1967 and 1973) and continue to make major contributions towards the British balance of payments. For the foreigner trading in Asia there is a feeling of growing security despite the departure of the western policeman.

UNITED KINGDOM TRADE

(£ million)

Country	1970		Jan — Sept 1973	
	Imports	Exports	Imports	Exports
Brunei	0.05	2.8	0.10	2.0
Burma	4.2	6.3	4.2	3.1
Cambodia	0.33	1.0	No figures available	
Indonesia	7.2	11.8	10.2	23.5
Malaysia	46.5	60.4	62.5	55.7
The Philippines	7.4	25.0	6.0	18.3
Singapore	33.5	62.5	57.5	71.9
Thailand	5.5	32.1	7.6	24.6
South Vietnam	0.44	4.3	0.19	1.4
North Vietnam	0.07	0.05	0.03	0.05

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THE new political/economic relationships that are emerging between States will be based on direct negotiations. They must be tailor-made for the countries concerned and provide for continuous negotiations to meet the dynamically changing economic and political conditions of the world and provide flexibility to cope with the crises that occur with alarming frequency. The establishment of these relationships can no longer be the privileged preserve of diplomats and politicians because of the far-reaching consequences these new links will have on the commercial, industrial and financial life of the countries involved. As economic sanctions replace military retaliation, war will no longer be the continuation of diplomacy by other means. The United Nations (UN) will probably only play a secondary role.

The Geneva talks to settle the Arab/Israeli dispute pay lip serve to the UN by permitting the presence of Secretary-General Kurt Waldheim, but the United Nations as a body can do little to influence the outcome. The final settlement will be based on the self-interests of the antagonists to the extent that Russia and America

will permit them to exercise those interests. It will be a throw-back to the Treaty of Berlin in 1878 in which major European Powers dictated terms to the minor European Powers.

How far the Big Powers will allow the small producer nations to continue using their resources for political ends is uncertain. There was idle talk of an American landing in Saudi Arabia and the Gulf States to get the oil flowing again but direct military action is hardly an option open to the Americans so soon after the Vietnam involvement. A CIA-sponsored coup in the tradition of Secretary of State Dulles is more likely except that these have resulted in more failures, like the Bay of Pigs operation, than successes. The only reasonable certainty is that America can only do that which does not impinge on the interests of the Soviet Union or become a major internal political issue for herself. Although a totalitarian State, Russia is similarly restricted in her actions. The eventual overthrow of Khrushchev after the Cuban missile crisis demonstrated that internal politics are also a restraining factor for her leaders.

The United Nations like the League of Nations before it, has not found a way to peace between nations but is more effective as a forum if only because of its universal membership. It cannot discipline its members but it does service some of their needs and has helped to shorten wars and mitigate their more unpleasant effects. The world must still find a working arrangement to provide security for smaller nations without the constant reference to Super Power arbitration. Priority must be given to finding a new international economic formula so that the world's resources of raw materials can be available on fair trading terms. At the same time there must be an interrelated rationalization of industry between the developed and under-developed countries to stop exploitation. A cure is needed for the running sore of perpetual monetary crisis — it is the root cause of many of the other problems. Lastly there must be some effective means of imposing observance of the rule of law between nations. The Super Powers themselves have made it clear that they will not fight each other. So long as this is so and as long as self-interest is to be the theme of international affairs the world body can do no better than accept the situation and exploit it to achieve its goals. The current pattern of idealism and high-flown rhetoric in the General Assembly produces nothing but copy for the media. It is a hard, brutal world and the UN must join it, as the small nations must accept it.

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